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Local Government Financing
In Alberta
Including
An Appraisal of
Provincial-Municipal Financial
Relationships



A Report Prepared

For

The Union of Alberta Municipalities

by the

Citizens Research Institute of Canada

November, 1954

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CORRECTIONS

In the third paragraph on **Page 13**, delete the line "therefore that the province will not choose to differentiate" and substitute the following:— "(classi-) fication, Alberta in its legislation makes no distinction."

On **Page 23**, immediately after the recommendation ending with the words "Should be made interest free" add the following paragraph:—

That a proportion of the debt obligations already created under the Municipal Capital Expenditure Loans Act for other than utility purposes be refunded as a grant. A reasonable amount might be 10 per cent and the payments might be made in several installments. Further, that future borrowings be supported by similar cash contributions from the Province. Past and future loans under the Municipal Capital Expenditure Loans Act should continue to carry an interest charge.

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Industry

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IT IS RECOMMENDED

9/37

LEASED LANDS

That the sharing of revenues from cultivation and grazing leases be terminated and that municipalities be permitted to assess and tax the lessees as conditional owners. (Page 11)

HIGHWAYS

That a statutory base for highway grants be established by converting the shared gasoline revenue to this specific purpose. Further, that a small proportion of the gasoline tax revenues be reserved each year to build up a stabilization fund which could then be drawn upon in order to avoid sudden reductions in the grant payments. (Page 12)

That a distribution of the highways grant be made to give urban municipalities a share.

The lump division between classes of municipalities should be worked out on a weighted population basis in favour of the rural municipalities. Within each designated classification of municipalities, the method of distribution should be continued along the lines now followed in the case of municipal districts with the exception that the requirement of a 25 per cent matching expenditure should be dropped. (Page 12)

WELFARE SERVICES

That the entire cost of mothers' allowances be met from provincial revenue in the same manner as widows' allowances are now handled. (Page 11)

That the scale of maintenance costs on which matching provincial contributions to homes for the aged or infirm are based be reviewed and revised upwards. (Page 12)

That the cities of Calgary and Edmonton be freed of financial responsibility with respect to children of unmarried parents coming from these two cities. (Page 12)

That the government of Alberta increase its public assistance contributions for indigents from the present 60-40 division to an 80-20 apportionment of assistance costs. (Page 13)

PAYMENTS IN LIEU OF TAXES

That the province of Alberta make full payments in lieu of taxes on all its provincial properties whether in commercial use or otherwise. (Page 13)

That the annual payments for loss of service tax be dropped. (Page 13)

HOSPITALS

That the province amend its hospital legislation to cover tenants on the same basis as property owners. (Page 17)

That a tenant who has resided anywhere in the province for more than twelve months be granted residence standing for hospital insurance purposes in his municipality of present residence. (Page 17)

That the seventy cents per diem grant be increased substantially and paid on a graded basis according to the rate structure in effect for the hospital care plan and other provincial hospital plans. (Page 17)

That, after one years experience with the new CHAM accounting methods, a new study of rates be made and a revised structure be determined which would take better account of actual costs of hospitalization and availability of diversified facilities. Further, that the new rate structure increase the number of categories substantially or establish separate rates for each hospital individually.

That municipalities participating in the hospital care plan be required to accept a full-fledged referral scheme as part of their responsibility to their residents. (Page 17)

That steps be taken to merge the standard ward and "extras" plans as a single packet offer. (Page 17)

That ratepayers and tenants who are eligible for hospital insurance be allowed to take up the provincial benefit even if their own municipality has not joined in the scheme. Such individuals or families should be required to pay only the dollar-a-day plus the applicable municipal contribution. (Page 17)

EDUCATION

Insofar as it is not the practice now, that school boards be required to submit detailed budget estimates to municipal councils in support of school requisitions. (Page 18)

That some differentiations be introduced between the grants made available for elementary and secondary school buildings. (Page 18)

That the equalization grant formula be revised at the earliest opportunity. While the grant per thousand dollars of assessment below the designated limit should be more heavily scaled in favour of the rural areas, the designated limit itself should be made uniform. (Page 19)

SPECIAL AID

That the provincial Department of Municipal Affairs be instructed to investigate and report to the government on the justification or otherwise of a special grant to the fast-growing municipalities on a formula patterned after the school enrollment bonus grant. (Page 19)

UNCONDITIONAL GRANTS

That a statutory unconditional grant be introduced in place of the present municipal assistance payments at a guaranteed minimum of no less than \$15 million. (Page 22)

That distribution of the new unconditional grant between designated classes of municipalities be on a graded per capita basis, weighted moderately in favour of the more populous municipalities. Further, that fiscal need indicators be employed in the formulae for apportionment to the individual municipalities in each category. (Page 22)

BORROWING

That all loans for revenue-earning utility projects whether under the Self-Liquidating Projects Act or the Municipal Capital Expenditures Loan Act be made interest free. (Page 23)

That a proportion of the debt obligations already created under the Municipal Capital Expenditures Loan Act for other than utility purposes be refunded as a grant. A reasonable amount might be 10 per cent and the payments might be made in several instalments. Further, that future borrowings be supported by similar cash contributions from the province. Past and future loans under the Municipal Capital Expenditure Loan Act should continue to carry an interest charge.

INTRODUCTION

A frequent contention among municipalities in all parts of Canada is that they are faced today with serious problems of municipal financing. In reports to their own electors and in association conventions, municipal representatives have been strong on this theme since the end of the war. Sometimes the tone taken has been decidedly alarmist. Nevertheless, the present situation is plainly quite different from the 1930's when current expenditures for relief purposes had to be funded, when many municipalities defaulted on their debt obligations, and when others were only saved from doing so by debt re-organization arrangements.

While the current financial problem of Canadian municipalities is not the acute one of the depression years, there is ample evidence that financing of municipal undertakings is causing genuine concern. Perhaps the best indication of this fact is the spate of enquiries into municipal financing that have been sponsored by provincial authorities in every part of the Dominion. In some provinces, including Alberta, recommendations resulting from such enquiries have been implemented in part and, in all provinces, some measures have been adopted that are designed to lighten the local tax burden in relation to the total expenditures budgeted by local authorities. In addition, further enquiries are in process and changes in legislation and regulations to improve the lot of the municipalities and school authorities are continuing.

Under today's comparatively prosperous conditions few, if any, Canadian municipalities find themselves in absolute need. The question is rather whether local government financing is creating a relative hardship. Are local governments operating under greater difficulty than the provinces that have delegated responsibilities to them? Are municipalities able to respond effectively to legitimate demands for new or expanded local services?

Have the municipalities access to appropriate sources of funds that will yield sufficient revenues for them to discharge their current responsibilities adequately? And finally, are municipalities of a particular class or classes experiencing more serious problems of financing than others in the same province? These are some of the questions that call for study at the present time.

In looking at local government financing in Alberta, it is necessary first of all to consider the problem in the setting of the Financial position of the provincial government. The municipalities are legally dependent upon the province for access to all their revenue sources. How much the province can and should do to facilitate fund-raising and public spending at the local level must therefore be measured against the resources that the province can itself command.

One way of measuring the province's financial position is to weigh up its revenues against the revenues of other provinces. It is appropriate also to examine the various sources of income which the province is utilizing and the yield from each main source. Having assessed the province's own financial strength, we are then in a position to consider the revenues of its municipalities and to compare the two.

Another fruitful comparison is between the revenues of Alberta municipalities and municipalities within other Canadian provinces. And finally, a breakdown of municipal revenues within Alberta by classes of municipalities should help to reveal any inequities between the present burdens on local taxpayers in the rural and urban municipalities, the cities and the smaller urban centres.

In this report, financial statistics relating to the Province of Alberta and to its municipalities have been compared with the corresponding data for British Columbia, Saskatchewan, Manitoba and Ontario. The selection is designed to furnish an adequate field of reference within which Alberta's position may be appraised.

For the benefit of those people who have not delved into statistical sources, it may be helpful to say a word about the problem of obtaining complete data on a proper comparative basis. The accounting practices of provincial governments differ widely from province to province. As the basis for discussions at Dominion - Provincial conferences, an effort

was made to reconcile the financial reporting from the public accounts published by the various provinces. This work of preparing comparative statistics of public finance has been taken up a permanent staff in the Dominion Bureau of Statistics. The resulting reports provide the nearest approach to comparable provincial statistics that can be found. Nevertheless, the Dominion Bureau would not claim that it has achieved an entirely acceptable result and, in addition, there is a necessary delay in producing the comparative financial reports after the individual public accounts have come out. Outside of Alberta, the provincial accounts do not appear very promptly so that the information at any one time is, on the average, up to two years out of date.

The Dominion Bureau of Statistics has also been working in co-operation with the provincial Departments of Municipal Affairs to bring about greater uniformity in municipal accounting and financial reporting. Yet, in this area also, the statistical information is neither entirely comparable nor available without some delay. Another small point is that the fiscal years of the selected provinces close on March 31st whereas the financial year-ends of the municipalities coincide with the calendar year.

Early in 1948, the Province of Alberta received the report of its Royal Commission on Taxation. The "Judge Report" contained detailed statistical information as the basis for its recommendations for adjustments in the financial relationships between the province and its municipalities. The data in the report covered a period ending with the year 1946. This being so, the statistical information included in the present report begins with the year 1946 and carries through to the latest available year in each case. The Tables, which have been placed at the end of the report, cover a long enough period to reveal trends in financing quite plainly. Where possible, this detailed information has been supplemented by figures taken from the Premier's budget speeches and from other available sources. The result is to provide a reasonable statistical basis for recommendations which have been made.

In the text of the report, reference will be made first to the financial position as revealed in the statistical tables and suggested by other less comprehensive sources. An exhaustive commentary on this statistical material is not, however, intended. The tables provide evidence which speaks for itself and which warrants careful scrutiny. While the narrative will only touch on the high points of the information contained in the tables, the discussion of interprovincial financing and the resulting recommendations have been put forward only after a thorough review of the statistical information coupled with a broader background in the intricacies of municipal-provincial finances.

The Changing Financial Position

The first table gives a comparative picture of provincial revenues for the fiscal years 1946-47 to 1951-52. It shows an absolute increase in Alberta's revenues over the period from some \$43 million to about \$120 million. In other words, in the interval the revenue of the province nearly tripled. On a per capita basis, Alberta occupied a relatively strong position in 1946-47 with a revenue of \$53.85 as against a high of \$65.21 in British Columbia and a low of \$39.54 in Manitoba. By the end of the period, Alberta's position was even better. It had passed Saskatchewan in terms of per capita revenues and had narrowed the gap with British Columbia.

The gross total revenue of nearly \$120 million achieved by Alberta in 1951-52 reflected, more than anything else, the phenomenal growth in natural resources revenues due principally to the petroleum and natural gas developments. Even by 1951-52, natural resources revenue in Alberta had come to account for well over one-third of the province's revenue. Among the other selected provinces, the highest comparable proportion of natural resources revenue was less than six per cent.

The strength of provincial revenues in Alberta as set out in gross and per capita totals does not tell the whole story. It is also important to survey the tax sources being utilized by the province in bring in these revenues in comparison with the tax sources which other Canadian provinces are using. At the present time, Alberta has no retail sales tax whereas British Columbia imposed a five per cent tax, three other provinces have a tax of three per cent and a further province imposes a two per cent sales tax. Three provinces tax tobacco sales but Alberta is not among them. Like all other provinces except Saskatchewan — which leaves the field entirely to its municipalities — Alberta imposes an amusement tax. In the weight of this particular levy, it stands in a middle position compared with all other provinces. Alberta and three other provinces levy a five per cent pari-mutuel tax. While Newfoundland does not have such a tax, the remaining five provinces levy a higher rate than Alberta. Alberta's gasoline tax is among the lowest imposed in the ten provinces. Although it sponsors a provincial hospital scheme, there is no hospital tax such as we find in Saskatchewan. The only levy of any importance not paralleled in other jurisdictions is Alberta's land transfer charge which is directed against the unearned increment on land sales. In 1952-53, this imposition yielded just over \$1 million.

In summary, therefore, Alberta's range and weight of tax impositions are if anything lighter than average. None of the last three provincial budgets introduced new taxes or higher rates. Four years ago, the gasoline tax was boosted one cent, but in combination with other adjustments the net effect was a reduction in taxes. Alberta would seem to be obtaining ample revenues without undue effort.

At the second table, a statement has been prepared showing Alberta's revenues as derived from the provincial public accounts. This table permits us to see the source of provincial funds in Alberta in somewhat greater detail and it also adds information for two later years. Between 1951-52 and 1952-53, provincial revenue on income account jumped by a further \$34 million and in the following year there was an even greater increase — more than \$42

million. Over the two years the gain was no less than 63 per cent. Some \$53 million, or seven-tenths of the two year increase, came from petroleum and natural gas revenues. In the last fiscal year, revenues from this one source reached a total figure of \$90 million. This colossal sum was more than double the entire provincial revenue shown in the last public accounts statement examined in the Judge Report. The figures available since that report was brought down reveal a growth in total revenues of between four and five times the 1946-47 figure. It is common knowledge, however, that oil production is continuing to climb and that new explorations are disclosing ever-increasing reserves of natural gas. These discoveries merely await the anticipated construction of a pipe line to Ontario to open up another fortuitous source of very large income.

In each of the years since oil revenue became important, the actual revenue on income account at the year-end has greatly exceeded the estimate put forward at budget time. At the close of the 1953-54 fiscal year, actual revenues were found to be \$58½ million larger than the budget figure submitted at the beginning of the year. In the same year, the increase in the province's actual expenditures over the estimated figure was negligible by comparison. In the last five years, the average annual excess of revenues over the estimates has been \$36 million. In the circumstances, what the revenues may be at the end of next March is a matter of speculation only.

The spectacular growth in oil revenues may tend to overshadow other revenue gains in Alberta which also have importance. Table 2 shows that the gasoline tax earnings have tripled. Liquor income, with which is included liquor profits, has continued strong. Payments from the Government of Canada under the tax rental agreements have jumped repeatedly. The 1952-53 figures include \$5 million in back payments based on a revised calculation of population and gross national product under the terms of the first post-war agreement. The 1953-54 figure, however, portrays accurately the level of payments established by the current agreement. Alberta's compensation for withdrawing from the income tax and succession duties fields has grown in part its population has advanced out of proportion to other Canadian provinces. The large tax agreement income it enjoys is also a reminder that the formula in use does not distribute the monies according to fiscal need except for the guaranteed payments which afford some assistance to a couple of the smaller provinces.

Between 1946-47 and the latest fiscal year, there has been a considerable increase in the returns from revenue-producing assets. Reference to Table 2 shows that this source yielded some \$4-2/3 million in 1953-54. The significance of this figure is that the results of Alberta's growing prosperity are now becoming cumulative. It is not unrealistic to look forward to a day when the earnings of the province's own investments will themselves become a major source yielded some \$4-2/3 million in 1953-54. The signifi-

Turning now to the financial position of municipalities, a comparative statement of their locally-derived revenues is given in Table 3. In it, we find that the revenues of Alberta municipalities have gone up, although not at as fast a rate as the province's. Between the years 1946 and 1952, locally-derived municipal revenues in Alberta a little more than doubled. The increase was fairly well divided

between tax revenues and other sources of income. On a per capita basis municipalities in Alberta pushed ahead somewhat faster than the four other provinces for which corresponding figures are presented. Relatively, therefore, local governments in Alberta are not in any greater difficulties than their neighbors. Yet it would be incorrect to assume that the municipalities in Alberta find revenue-raising an easy matter. On a per capita basis, the weight of real property taxation in Alberta is greater than in the other four provinces. As the figures clearly show, Alberta municipalities have also had to tax more heavily for school purposes than their counterparts in the other provinces.

In addition to the money obtained from local sources, municipalities depended heavily on grants and payments from the provincial governments. While Table 4A and 4B provide the best comparative picture that can be readily assembled, certain shortcomings in the statistical information should be noted. In the first two years, the DBS compilation omits entirely the road grants paid in Alberta to municipal districts. Throughout the entire period, certain health grants are not included while the payments in Alberta under hospital care plan are incomplete. The Alberta figures cover only the sums paid directly to municipalities for municipally-operated hospitals. Again, the child welfare contributions are not shown for Alberta because this province is unique in initiating the total assistance payments at the provincial level rather than the local level.

Bearing in mind these limitations in the statistical information, it is yet evident that Alberta had stepped up its payments to local governments very considerably between 1946 and 1951. By the latter year, the provincial government was also making more generous contributions relative to the performance in the other selected provinces. Only British Columbia then stood above Alberta in per capita comparison.

There is another point which is illustrated by the figures on provincial grants and payments. In all parts of Canada, the transfer of sizeable amounts of money to municipalities is to a large extent a postwar development. In varying proportions the provinces have been building up large grants in support of highways, health services, social welfare and other designated services and a couple have also introduced shared revenue contributions of some significance. School grants were the only very large item in the years 1946-47. By 1951-52, the school grants themselves had at least doubled in each of the five provinces.

COMPARISON OF EXPENDITURES

Tables 5A and 5B supply information on provincial expenditures. The classification is designed to show the expansion of provincial undertakings in fields which relate closely to the chief areas of municipal responsibility, aside from the traditional municipal services to property. The figures include conditional grants and payments allocated to the support of particular municipal undertakings and unconditional grants and shared taxes that local governments are free to spend as they see fit. In other words, the table allows us to look at what the provinces are doing in total in the major areas of responsibility which, in a sense, operate as a partnership between the two levels of government — highways, health and welfare services.

It is evident from the figures for the six-year period that Alberta is following a pattern of steadily growing expenditures which does not differ greatly from the trend

in other provinces. Its policy of reducing debt and accumulating liquid assets meant that Alberta's remaining expenditure programme is continuing to follow a reasonably normal pattern. Alberta has expanded its operations more rapidly than three of the four other provinces. But it is significant that British Columbia, with no large fortuitous revenues, is putting more per capita into education and the social services than Alberta. Between 1946-47 and 1951-52, Alberta's expenditures for the selected services of particular relevance to local government's have more than tripled. In Saskatchewan, Manitoba and Ontario, the equivalent spending has more than doubled. British Columbia has stepped up its programme by an additional 20 per cent over Alberta's rate of increase.

In every province there has been a marked shift in expenditures in favour of those services in which municipalities are also involved in a major way. In addition, outlays on roads have jumped substantially and, in the case of this particular service, the largest increase has occurred in Alberta; the province's per capita outlay on highways is heavier now than that of any other province. Another point worth noting is that, in 1951-52, Alberta and British Columbia were still the only provinces supplying sizeable revenues to their municipalities in the form of shared taxes whose use was unconditional. More recently, the province of Ontario has also introduced an unconditional grant which, in total, will approximate \$12 million in the present calendar year.

In 1951-52, British Columbia and Saskatchewan were spending more on health service on a per capita basis than was Alberta. Alberta was still a comparatively small spender on welfare services. In education, it ranked second only to British Columbia. As Table 6A reveals, however, it was turning over a decidedly smaller share of its educational budget in the form of grants to schools operated by local authorities.

Tables 6A and 6B indicate the relative general position of local governments in the five provinces in terms of their spending. For a number of reasons, of which the different methods of organizing local government operations is not an unimportant one, the precise amounts in any one column may not be entirely complete and comparable. Yet it is clearly evident that Alberta municipalities have stepped up their expenditures more than have municipalities in three other provinces. As at the provincial spending level British Columbia municipalities and school authorities have increased their budgets more rapidly than Alberta's local authorities when the school grants are added in. Paralleling the provincial situation also is the fact that, in Alberta, the municipalities have stepped up their public works programmes more rapidly than their opposite numbers in other provinces. In this category, they had become the top spender by 1952. It would appear also from this table that Alberta's municipalities have been paying more proportionately for capital developments out of current funds. It is distinctly possible, however, that some of the capital expenditures made in other provinces may not have been so designated in their returns. In the field of education, municipalities in Alberta have been called upon to carry a bigger share of the total cost from local revenue sources than is the case in either British Columbia or Ontario. At the same time, school costs have been comparatively high in Alberta and, when looked at on a per capita basis, were exceeded only by the sums spent in British Columbia. Finally, it should be noted that the total per capita expenditures by Alberta municipalities in 1952 were second only to those in British Columbia.

COMPARATIVE DEBT TRENDS

Another aspect of the financial position is revealed by a study of debt trends. Table 7 is really intended to show what has been happening to the debt of the four other provinces; it is fairly common knowledge that Alberta's debt position is not any longer indicated by the trend of its outstanding debt alone.

The province of Alberta had outstanding bonds totalling \$113 million at March 31, 1947. By a process of paying off all obligations as they have become due and creating no new funded debt, the province had lopped off about 25 per cent of this debt by March 31, 1953. Where Alberta stands today is fairly well indicated by a statement included with the 1954 provincial budget preparation. At the end of last December, the province of Alberta had total debt obligations of \$94 million, including its outstanding treasury bills and other unfunded debt. Against this total, it held cash and other investments of no less than \$169 million. In other words, its net position was \$75 million to the good. Truly, this is an enviable situation for any government to find itself in. Moreover, there is little doubt that the credit balance has grown very considerably even since the end of last December.

Between March 31, 1947 and March 31, 1953, what has been happening to the other provinces? Ontario's debt has increased by 25 per cent; Saskatchewan's debt by between 40 per cent and 45 per cent; British Columbia's by 75 per cent and Manitoba's by a full 115 per cent. As of March 31, 1953, the debt in all four of these provinces was somewhere between \$150 and \$160 per capita. Compare this with Alberta where the position last December was a credit balance on behalf of its people amounting to perhaps \$70 for every man, woman and child.

The Government of Alberta has committed itself to the policy of devoting oil revenues to two purposes — debt retirement and capital construction. From the time when the oil revenue first became a significant item to the end of the forthcoming fiscal year, the province will have devoted a minimum of \$210 million to the second of these objectives. Indeed this figure if anything under-estimates the position because, in a province with increasing money at its command, some changes have been made in the treatment of expenditure items. It used to be the practice, for example, to allocate a portion of the expenditures on district highways as a capital item. More recently, however, the Province has seen fit to adopt a more conservative view as to the nature of these road undertakings. The entire expenditure is now classified as current.

The government's declared policy of directing oil revenue to debt reduction and capital construction has not, in fact, produced any notable distortion in the expenditure

programme of the provincial departments. Ordinarily, a large share of provincial spending is directed to capital construction and, while this area of spending has been stepped up, so have the expenditure programmes on current account. In looking through the public accounts for the period, the change that stands out is not, therefore, any notable increase in the proportion of capital expenditures. Rather, it is the substantial reduction in provincial debt and the heavy accumulation of liquid funds and investments.

Those particularly concerned with municipal financing have contrasted the province's debt-free position with the recent turn of events in municipal capital accounting. Table 8 provides a detailed picture for Alberta and makes the comparison with other provinces. At the end of 1946, the debenture debt of Alberta municipalities totalled a little over \$37 million. Of this total, some \$7-2/3 millions had been borrowed to finance revenue earning enterprises, that is, public utilities. Because the intention is that debt charges should be paid out of the gross earnings of the utilities themselves, such debt is normally described as self-sustaining and as long as utilities can balance their budgets, the description is an accurate one.

By the end of 1952, the total municipal debt in Alberta was approaching \$120 million. The utility debt was responsible for a larger than proportionate share of the increase since it had risen to more than \$32 million. In other words, total debt had more than tripled and even dead weight debt was close to three times the 1946 total. Comparing the position in Alberta with the trend in other provinces, we find that the former's municipal and school debt per capita stood at approximately \$143 at the end of 1952 compared with \$210 in British Columbia, \$116 in Ontario, \$98 in Manitoba and \$50 in Saskatchewan. Alberta showed the highest per capita school debt of any province.

Of even greater significance, Alberta municipalities have found their debt increasing far more rapidly than the municipalities of any of the other selected provinces. Taking the per capita figures, which allow for Alberta's larger population growth, here is the story. The debt of Manitoba municipalities showed virtually no increase over the years covered. Saskatchewan's municipal debt increased some 33 per cent and British Columbia's by about 40 per cent. In Ontario, municipalities experienced an increase of 110 per cent. And in Alberta, the jump in municipal indebtedness was no less than 175 per cent.

There is also a point to note from the breakdown of debt by categories. Alberta's utility debt experienced a particularly sharp rise; the 1952 figure was over four times the amount outstanding in 1946.

THE FINANCIAL POSITION BY CLASSES OF ALBERTA MUNICIPALITIES

CURRENT REVENUES

The next several tables provide information to indicate how the different classes of municipalities in Alberta have been faring in recent years. Tables 9A and 9B break down the revenues that come through the municipal treasuries including provincial grants other than school grants. The use of per capita figures is particularly essential here since comparisons in this form discount out of the picture the larger relative population growth in the towns and cities.

The most striking feature of the per capita table is the disproportionate increase in total revenues in the municipal

districts. In 1946 Alberta cities were securing average revenues of over \$56 per capita and, in relation to other classes of municipalities, were far in the lead. Year by year, however, their relative position on revenue has worsened. In terms of percentage increase, the towns have made a slight gain on them, the villages a considerably larger improvement, and the municipal districts by far the greatest advance. Per capita city revenues in 1953 were up by less than 60 per cent over 1946. By contrast, in municipal districts, the equivalent increase was fully 175 per cent. Whereas city revenues per capita began at \$56 and rose

to \$89, municipal district revenues climbed from a little over \$34 to close on \$96.

It would be misleading to presume that the normal pattern is for the per capita revenues of different municipalities to be approximately the same among the urban municipalities, it is the recognized statistical experience almost everywhere that the cost of local government is heavier on a per capita basis the larger the municipality becomes. This is to be expected because increased concentrations of urban population require an increasing range of municipal services which at the same time become steadily more costly to provide. The relationship between costs of urban and rural local government also fall into a statistical pattern. On the average, the cost of rural government usually falls somewhere between the cost in the smallest and largest urban centres. Within the rural framework itself, there is not an ascending per capita cost as the population of the rural unit increases. The scattered rural areas must spend more per capita than the more populous rural areas in order to provide equivalent services.

A useful illustration of the relative per capita costs is found in the Progress Report of the Provincial-Municipal Relations Committee in Ontario. It shows the urban trend quite plainly although in interpreting the figures some allowance has to be made for the existence of second-tier county governments in the southern part of the province. Taking that fact into consideration, there is, otherwise, a steady up-grading of urban expenditures as population rises — from something over \$40 per capita at one end of the scale to \$75 per capita at the other. Without quoting further figures, since the rural data cannot be simply presented, the cost of government in rural areas is, as one would expect, in a mid-way position.

Whether or not it is fair to describe the pattern of relative revenues by classes that usually shows up as the ideal relationship, it is clear that Alberta municipalities have experienced quite a sharp change in their relative situations in a very short space of years. If the position was a reasonable one in 1946, then it is no longer so. Be that as it may, the rural municipalities have increased their revenues in a way that warrants particular mention.

When we look at the breakdown of revenues, we find that the change has come about in two ways. First, the rural municipalities and the villages have added more to the burden of real property taxation than have the towns and cities. Secondly, the increase in provincial grants over the period has been consciously directed to give particular support to rural municipalities and villages.

Before leaving Tables 9A and 9B, there is another point that should be noted, in 1946, it was the common experience of the urban municipalities to produce surpluses from their local utility operations which thereby helped to ease the tax burden. By 1953, however, such surpluses had dwindled greatly and, in many cases, utilities were reporting deficits that had to be made up from taxes. Indeed, in the towns and villages utility operations on the average have reached a net deficit position so that they constitute a small present expense upon taxpayers. There is in the rapidity of the change some indication that taxpayers may be even more heavily burdened in this respect in the years ahead.

Table 10 has been prepared to fill out the total revenue picture by showing the income from school grants by classes of divisions and districts. The data are available for only the years 1947 and 1952. Inasmuch as some towns and

many villages have joined in the large school divisions for provision of local schooling, the breakdown by classes cannot be directly compared with the municipal classification.

Between the years 1947 and 1952, the largest increase in grants went to the cities. If it were possible to produce per capita figures, they would show that a more rapid increase in population was the reason for at least a major proportion of the additional grant income earned by these districts. Lacking the necessary population breakdown, it is also impossible to make a precise comparison between the grant income of urban and rural districts in 1952. By a rough calculation, it would appear, however, that the school divisions, which coincide largely with municipal districts, were obtaining at least four times as much per capita from school grants as were the cities and towns.

CURRENT EXPENDITURES

Since, aside from certain earmarked reserves, local governments are not permitted to budget for surpluses, the revenue figures in total closely approximate the expenditures of municipalities class by class. The purpose of Table 11 therefore is to indicate the extent to which school and hospital requisitions draw on the budget requirements of local governments. These two types of expenditure are frequently described as "uncontrollable" because municipal councils may have very little say as to the size of these requisitions which they must nevertheless incorporate into their budget calculations. A more accurate statement insofar as most school requisitions are concerned is that a separate elected body has an independent responsibility to the electorate for its share of the budget.

A review of the school figures shows that these requisitions have been amounting to between 40 and 50 percent of the tax revenues raised by the municipalities. On a per capita basis, local school costs had risen by about 50 percent in urban municipalities between 1946 and 1953. The increase in the villages was slightly greater than in other urban municipalities. In the municipal districts and counties, on the other hand, the jump in seven years amounted to no less than 133 percent. This sharp rise is the more remarkable because the school grants paid by the province to rural school authorities to build new and larger schools. Of greater importance in this regard is the borrowing assistance recently developed by the province and the introduction, in these years, of the first grants-in-aid for school construction.

By combining the figures in Tables 10 with those from 11A, it is possible to see the proportion of total school budgets coming in the form of provincial grants. In 1947 grants constituted somewhat less than one-third of total school expenditures. By 1952, the provincial grants had a little more than doubled. Yet their relative importance had remained substantially unchanged. They still made up less than one-third of total school revenues.

DEBT

Table 12A sets out the debt position of urban municipalities; school debt is, of course, excluded. Similar detailed information is unfortunately not available for municipal districts. Along with the amount of outstanding debenture debt at the various year-ends, the table sets down the current annual debt charges required for payment of interest, and principle or sinking fund installments. Relating also to the weight of the debt load, figures have been included to show the amount paid out of current revenue in each year for capital purposes.

On a per capita basis, the debt of the cities at the end of 1946 was far in excess of the debt of the towns while the villages had no debenture obligations to speak of. Over the period to the end of 1953, the debt of cities had just about doubled. The town debt had slightly more than tripled while, at the village level, debt had skyrocketed so that it had become quite a sizeable item. The major reason for the debt increase in towns and villages has been an extensive programme of utilities and sanitary sewer construction. The development of these facilities was greatly encouraged by the province's Self-Liquidating Projects Act of 1950. This special fund was closed out as of the end of March of this year. Further borrowing for these purposes is to be done under the Municipal Capital Expenditures Loan Act which was inaugurated at the end of March, 1953. During the period in which the Self-Liquidating Projects Act was open, municipalities borrowed just under \$23 million. The money to meet debt charges is intended to be recovered through utility rates and through local improvement levies which are assessed in part against the abutting properties.

Although the emphasis in debt creation has been on the smaller urban municipalities, it is important to realize that at the end of 1953 close to 85 per cent of the urban debt was an obligation of the cities. On a per capita basis, their debt charges were triple the load carried by the towns which, in their turn, were responsible for considerably larger payments than the villages.

An encouraging feature of the rapidly changing debt picture is that all classes of urban municipalities have continued to finance some share of their capital outlays from current revenues. Such pay-as-you-go financing has even increased along with other increases in the size of municipal operations. Consequently, it seems a safe assumption that as yet at least municipalities have not reached the distress stage in handling their commitments or in their capacity to meet new responsibilities.

The Alberta Department of Municipal Affairs reports no debt figures for municipal districts. It does, however, publish annual returns on the amount of debt charges that have been met by such municipalities. During the year 1946, the total was a little over half a million dollars which meant, on the average, a burden of \$1.61 per person. By the year 1953, the situation had changed remarkably. Total debt charges for that year were less than one-tenth of the 1946 figure and, on a per capita basis, the burden on district residents had dropped to 19 cents.

A point of interest in regard to the debt table is the place of hospital debt in the total picture. While separate figures are not available for all years, the debt burden apparently had fallen most heavily upon the cities. The annual report of the Alberta municipal hospitals, published by the Department of Health, shows the number of hospitals which have outstanding debt and the total amount of debt held. At the end of 1945 (1946 figures are not at hand), there were nineteen hospitals showing debenture debt out of a total of thirty-two under municipal sponsorship and their debt amounted to less than half a million dollars. Year by year the debt for hospital purposes has continued to grow. At the end of 1952, there were fifty-one hospitals of which forty-one were showing debenture obligations. Their total debt was \$3.6 million.

The extension of the hospital care plan has been going on apace since it was first introduced. Today the bulk of Alberta municipalities are participating in the plan. As a consequence, the local community now has an interest in

the debt obligations of voluntary hospitals which is very nearly as great as its concern with the debt of municipal hospitals themselves. A questionnaire in February of this year brought replies from thirty-six voluntary hospitals and twenty of them indicated that they had indebtedness to report. The total debt so revealed amounted to \$4,641,000.

School debt in Alberta is an obligation of the school corporation and, as such, is handled separately from other local government debentures. Table 12B supplies a breakdown of school debt by divisions and districts. As noted before, it is not possible to develop per capita figures for such a breakdown.

Throughout the period, the biggest portion of the debt has been carried by city school districts. While the obligations of city and town districts were not reported separately in earlier years, a look at the later figures makes the point quite plain. At the end of 1952, school debt of the cities had reached a figure of just under \$20 million. The large school divisions also showed a sizeable amount of debt — a little less than \$9 million. The total for all classes at that year-end was \$32-1/3 million.

As of December 31, 1952, the combined debenture debt of urban municipalities and school authorities in Alberta was no less than \$104 million. At the same date, the D.B.S. compilation used in Table 8 showed a total figure of just under \$120 million for all municipal and school corporations. By the end of 1953, urban municipal debt had jumped a further \$20 1/2 million and school debt had gone up by perhaps another \$5 million. And there is not much doubt that the figure is steadily increasing.

The chief encouragement to increased borrowing by municipal and school authorities in recent years has come from the province itself. First, the introduction of the Self-Liquidating Projects Act brought a stream of applications, from smaller urban municipalities in particular, for borrowing to finance water and sanitary sewer undertakings. At about the same time, the School Borrowings Assistance Act enabled school authorities to increase the number of their capital undertakings without going into the open market for all of the money. This Act, and the School Buildings Assistance Act which replaced it, had continued to make funds available to school authorities on a generous basis. At first the loans were interest free; later a 3 1/2 per cent rate of interest was imposed. Judging by the number of new loans, the change does not seem to have proven much of a deterrent to school borrowing.

The Municipal Capital Expenditures Act, introduced a year and a half ago, has permitted borrowing for utility construction to continue and has broadened the encouragement to go ahead with other capital works such as road programmes.

In all its loan fund operations, the province has enabled local authorities to borrow at interest rates which are lower than could be obtained in the open market. Sufficient money has been made available to the several funds to take care of all reasonable borrowing requirements of the municipalities while the school authorities have been able to obtain an increasing proportion of their requirements through the school funds. Consequently, the automatic check of the market on a local authority's ability to borrow has well-nigh disappeared. The public utilities board and the treasury department are of course scrutinizing all debenture applications. But formerly municipalities and school boards had first to submit to a screening by the public utilities board and then to test the open market after that.

THE POSITION OF THE CITIES

Table 13 has been prepared with the idea of showing the differing financial requirements of the seven Alberta cities. The first part of the table indicates the cost of government for general municipal services, including hospital care, and schools. Although Drumheller and Medicine Hat break from the pattern, there is some evidence of a tendency for costs to be higher as the size of the city increases. In 1952, Edmonton spent close to \$100 per capita whereas Wetaskiwin, at the other end of the scale, spent only \$52.50 per capita. Although there is a considerable spread between Calgary and Edmonton, both are experiencing a rate of expansion that has boosted their expenditures quite rapidly in recent years.

Hospital care expenditures have been secured for the year 1953. The corresponding expenditures in 1952 are a component of the municipal totals in the upper part of Table 13. Meanwhile, however, hospital care expenditures have gone up — certainly in Calgary. The seven hospital care figures do not fall into a pattern of population. They do indicate, however, the wide variation in per capita costs for this service which has been the experience of municipalities generally. No doubt Edmonton's hospital rate is helped by the fact that three of its four hospitals are non-municipal and one of these is the special responsibility of the province.

THE WEIGHT OF REAL PROPERTY TAXATION

In looking at municipal financing, the most frequent focus of attention is the real property tax. This tax has been made to serve both as the bulwark of locally-derived revenues and as the residual source of funds after allowance has been made for income obtainable from other relatively small revenue sources. The property taxpayer, therefore, feels the pressure of varying municipal expenditure levels directly and significantly. The mill rate is the common measure of where municipal budgets are going although it can prove a misleading indicator whenever there are substantial adjustments in assessment levels. If the property tax jumps sharply, there is an immediate protest. Municipal representatives have always to reckon with the views of taxpayers at election time. If property taxes go higher than the amount that could be charged to the potential revenue earnings of the property, they then include a levy on capital. In good times, this point may be reached before non-payment of taxes becomes widespread. Bearing in mind the range of purposes for which the money is being spent, the property tax may be legitimately described as excessive well before it involves any levy upon capital value.

Although property taxes have not reached the distress levels of the '30's, they are taking up a larger share of personal income than was the case some years ago. The following table which is based on the personal income figures developed by the Dominion Bureau of Statistics discloses the general position in the five selected provinces.

MUNICIPAL TAXATION REVENUES AS A PERCENTAGE OF PERSONAL INCOME

	Selected Years		
	1946	1949	1952
Alberta	3.7	4.3	4.2
British Columbia	2.8	2.9	2.9
Saskatchewan	4.0	4.1	3.7
Manitoba	3.7	4.1	4.3
Ontario	3.1	3.4	4.0

From the figures presented, it is evident that property taxation has become more onerous in three of the five provinces — Ontario, Manitoba and Alberta in that order.

It is also useful to consider why municipal expenditures for established services have grown so much since the war's end. There have been backlogs of postponed expenditures following the restrictive periods of the depression and the war. But real costs have gone up too. The biggest single component for municipal and school expenditures is salaries and wages. Those who work for local authorities must cope with consumer price changes like all other employed people. The new consumer price index does not include any provincial breakdown but gives a combined figure for Edmonton and Calgary. The annual index figure for the year 1946, which is our selected base, stood at 77.8. For the year 1953, the figure had climbed to 113.1; in 1954, the latest available monthly figure was 115.4. Between the year 1946 and the summer of 1954, in other words, the Calgary-Edmonton price index had climbed more than 48 per cent. What this means is that municipalities have had to grapple with rising costs while relying upon the real property tax as their chief local source of income. The tax is one whose yield does not automatically adjust as costs go up. Each addition to the local taxation burden is a painful process. The justice of the extra levy must be demonstrated to an electorate whose other financial obligations have also been rising with each increase in the cost of living.

As part of the setting within which the pressure of rising costs have been experienced, let us acknowledge that municipalities in Alberta have been receiving substantial and increasing aid from the province. Increases in grant revenue have been common to municipalities in all five provinces studied. The increases in Alberta have ranked high but have not matched the assistance made available to municipal and school authorities in British Columbia. It may be noted in this connection that municipal taxation revenue as a percentage of personal income has remained almost constant in the latter province. Since the data included in this report were compiled, further changes in the Alberta grants structure have, of course, increased the amount of provincial assistance to municipalities. Yet the pattern of rising municipal costs and the parallel growth in the burden of municipal taxation makes it reasonable to suggest at least that the province might have done more.

ALBERTA'S GRANTS PROGRAMME

In Table 14, figures have been assembled to show the programme of grants, shared cost contributions and similar payments to local authorities. The analysis has been derived directly from the Alberta public accounts and differs in several respects from the comparative statement put out by the Dominion Bureau of Statistics. Grants to health units and minor grants from public health services and town planning have been included in this table. In Alberta, certain welfare expenditures, which in other provinces are initiated at the municipal level and then supported by provincial grants, are financed in the first instance by the province and a share of the cost is then collected from its municipalities. Consequently, the DBS analysis omits major welfare payments and certain indigent aid which has been incorporated into Table 14. The financial assistance going to improvement districts is also excluded from the DBS classification because these areas are not self-governing. In this statement, the provincial contributions to such areas have been taken in.

On the other hand, the grants programme embraced in our table excludes some items that might be thought

part of the grants picture because, indirectly they reduce the area of financial responsibility of the local authorities. In our statement, health and welfare programme that are customarily accepted as provincial are not taken into account. The exclusion extends to medical and hospital care for pensioners. Payments for public health and municipal nursing services are also omitted since they are directed toward the raising of provincial standards and are not available in the ordinary way as grants to municipalities. In 1953-54, the net amount for the latter item stood at \$74,000. Similarly, the per diem grant that the province makes to all public hospitals on the basis of total patient occupancy has not been classified as a strictly provincial-municipal grant even though, under the hospital care plan, there are as beneficiaries an increasing number of municipal hospitals and a large number of voluntary hospitals serving the provincial-municipal programme. In 1953-54, these per diem grants exceeded \$1.3 million. Although the per diem grants are not listed in Table 14, it may be remarked in passing that a later proposal in this report will be to increase such grants as an appropriate means of further help — albeit indirect — to municipalities. Omitted also from the table are teachers pension grants. In 1953-54, the province paid out \$809,000 for this purpose, of which \$776,000 was a direct grant towards the cost of pensions, and the remainder a contribution to the pension fund.

Like the per diem hospital grants, hospital construction grants paid under the Federal Health Grants Programme have been excluded. The matching provincial contribution began in 1950-51 with payments totalling \$512,000. They reached a peak of \$785,000 in 1951-52 and had dropped by 1953-54 to \$231,000. From the time the grants were announced in May 1948, it was recognized that such assistance on a large scale would be temporary. In 1953, the Dominion cut its grant appropriation in half and a further reduction or even a discontinuance of this form of aid may be anticipated.

The Department of Highways of the province also relieves municipalities from a potential expenditure by undertaking to build, maintain and operate all ferries within Alberta. In 1953-54, the Department spent some \$310,000 on maintenance and operation in this field, and slightly under \$10,000 on new construction. Finally, municipalities have been assisted by the expanded programme of the assessment branch of the Department of Municipal Affairs. The Department's field staff is providing a lot of assistance in the assessment work of villages, districts and counties and is undertaking re-assessment in the towns. Here, the province is currently paying 50 per cent of the cost. It is understood also that there are plans to make this direct re-assessment service available to the villages when staff conditions permit and perhaps later to the rural municipalities. In 1953-54, the provincial expenditure on its whole assessment services was \$82,000.

Another border-line item which has been omitted from the coverage of Table 14 is the refund of cultivation and grazing lease revenues. The Judge Report recommended some years ago that these shared revenues be done away with and that, instead, the municipalities be permitted to assess and tax the lessees as conditional owners. In 1952-53, rural municipalities received \$480,000 from this shared-revenue source. It replaced income that they would otherwise have been able to obtain directly as real property taxes.

IT IS RECOMMENDED THAT THE SHARING OF REVENUES FROM CULTIVATION AND GRAZING LEASES

BE TERMINATED AND THAT MUNICIPALITIES BE PERMITTED TO ASSESS AND TAX THE LESSEES AS CONDITIONAL OWNERS

In every province other than Alberta mothers' allowances have been adopted as a complete provincial responsibility. In Alberta, the municipalities are still required to contribute 20 per cent of the regular allowances paid. In 1953-54, the municipalities sent in \$188,000 to the province in support of the mothers' allowance programme.

IT IS RECOMMENDED THAT THE ENTIRE COST OF MOTHERS' ALLOWANCES BE MET FROM PROVINCIAL REVENUE IN THE SAME MANNER AS WIDOWS' ALLOWANCES ARE NOW HANDLED.

HIGHWAYS

The province of Alberta has long contributed to the maintenance and construction of local roads in rural areas. From time to time it has also given financial assistance to urban municipalities with respect to bridges and other special works and it has likewise taken some responsibility for highway routes through urban municipalities.

At the present time, the province of Alberta is providing the following types of financial support for municipal roads. To municipal districts, it pays conditional grants for approved road expenditures with the requirement that the districts themselves pay 25 per cent of the cost of the approved programmes and further that 40 per cent of the work be directed to district highways rather than local roads. The total amount contributed by the province is arrived at as part of the establishment of the province's budgetary appropriations but the full estimated outlay may not be expended if the programme is held up by weather conditions or for other reasons. For the year 1954-55, the budgetary appropriation is \$3,300,000.

In improvement districts and special areas, the province undertakes a similar programme, but in this case does the work itself. The budgetary appropriation in 1954-55 is \$3,125,000. Support for bridge construction is handled similarly to the general road programme in non self-governing areas. In 1954-55, the province has budgeted \$2 million for bridges. The provincial Department of Highway's staff will carry out the entire work in improvement districts, special areas and municipal districts. It may also undertake some construction in towns and villages against this appropriation. The bridge building vote has been utilized almost exclusively for rural projects.

In addition to these large rural highways programmes which make up the bulk of the province's expenditures, some help is forthcoming on highway connecting links through urban municipalities. In towns and villages, which are in most cases relatively small in population, the province undertakes to carry the highway through the municipality and to meet the cost of the standard highway width of a gravel or hard-surfaced road. Cities have been given quite small grants to assist them in maintaining connecting links within their boundaries. In 1952-53, the rate per mile was \$300 and this has since been raised to \$500.

Other support to the cities is limited to capital contributions to special works selected as the provincial authorities see fit. In 1952-53, the City of Calgary received a contribution of \$125,000 toward the construction of a bridge. In 1953-54, it secured a further contribution of \$125,000 toward an underpass and, in the same year, the City of Edmonton received \$250,000 toward a new bridge.

The formula by which road grants to municipal districts, and road expenditures in improvement districts, are distri-

buted between one district and another is an important feature of the Alberta highway grants programme. In the districts, the province uses a three-way formula. First, it supplies the engineering services for the approved work programme and deducts this cost, regardless of where it is incurred, from the total appropriation. Secondly, the province sets up a fairly small proportion of the budgeted expenditure to be distributed in relation to the relative cost per mile of road construction in each district. Districts are classified into five categories depending upon the topography and terrain conditions. A cost per mile is assigned to each category and the money is then distributed in relation to assigned cost per mile district by district. Finally, the bulk of the appropriation is divided up on the basis of an even weighting of three factors in each district — population, assessed acreage and the total property assessment.

The use of this somewhat complex three-part formula constitutes a conscientious attempt to recognize and allow for the major considerations to be taken into account in a fair distribution of road grants throughout rural Alberta. The province is to be commended for the development of this scientific approach.

Presuming that the province intends to continue making specific grants in support of municipal road expenditures, certain changes from the present position are considered necessary — both to provide some assurance of permanence in the programme and also to secure greater equity among the various classes of municipalities.

IT IS RECOMMENDED THAT A STATUTORY BASE FOR HIGHWAY GRANTS BE ESTABLISHED BY CONVERTING THE SHARED GASOLINE REVENUES TO THIS SPECIFIC PURPOSE. IT IS FURTHER RECOMMENDED THAT A SMALL PROPORTION OF THE GASOLINE TAX REVENUES BE RESERVED EACH YEAR TO BUILD UP A STABILIZATION FUND WHICH COULD THEN BE DRAWN UPON IN ORDER TO AVOID SUDDEN REDUCTIONS IN THE GRANT PAYMENTS.

IT IS RECOMMENDED THAT A DISTRIBUTION OF THE HIGHWAYS GRANT BE MADE TO GIVE URBAN MUNICIPALITIES A SHARE. THE LUMP DIVISION BETWEEN CLASSES OF MUNICIPALITIES SHOULD BE WORKED OUT ON A WEIGHTED POPULATION BASIS IN FAVOUR OF THE RURAL MUNICIPALITIES. WITHIN EACH DESIGNATED CLASSIFICATION OF MUNICIPALITIES, THE METHOD OF DISTRIBUTION SHOULD BE CONTINUED ALONG THE LINES NOW FOLLOWED IN THE CASE OF MUNICIPAL DISTRICTS WITH THE EXCEPTION THAT THE REQUIREMENT OF A 25 PER CENT MATCHING EXPENDITURE SHOULD BE DROPPED.

To give some idea what is intended, the municipalities might be classified as rural, urban under 2,000 population, and urban 2,000 and over. The division between classes might then be based on a three-two-one population weighting of the rural, small urban, and large urban municipalities. In other words, in relation to their total population, the municipal districts would receive three times as much as the cities and larger towns while the small towns and villages would come halfway between. In addition, it might be found necessary to introduce a further weighting between municipal districts and improvement districts.

HEALTH GRANTS

Aside from the hospital grants, payments under the health category in Table 14 are comparatively small. Health services supplied to indigents and other assisted groups

are treated as a welfare operation and so classified in the grants breakdown.

The small health grants, as the table shows, rose from \$54 thousand in 1946-47 to better than \$400 thousand in 1953-54. These payments have provided support for the new health units and for parallel preventive services in cities. The programme is a commendable one that deserves to be continued and gradually extended.

The hospital care plan, including the related hospitalization undertakings, will be taken up later in a separate section of this report.

WELFARE GRANTS

As mentioned earlier, the area of responsibility for welfare services falling upon municipalities has been narrowed periodically by the institution of programmes for special categories of assistance. The province of Alberta has taken a lead in some of these programmes. It should be particularly commended for the comprehensive hospital, medical and dental services it makes available to pensioners and others receiving some form of public assistance. Similarly the province is to be congratulated for bringing in the Widows Pension Act. It meets a need that has not as yet been recognized in legislation in any other province.

There still remains a very sizeable area of municipal responsibility in the welfare field. It embraces child welfare, homes for aged and infirm persons who are not looked after or who are only partially looked after under other forms of assistance, and the remaining indigent group that does not qualify for special aid. In these categories, the province is now contributing 60 per cent of the amount expended for whatever assistance is given except in the case of homes for the aged or infirm where the provincial contribution is 50 per cent on maintenance and one-third of the cost of construction of new homes. The latter is a new provision introduced this year.

A problem with respect to the maintenance payment for homes for the aged is that contributions are currently based on a scale of costs that municipal welfare officials feel to be considerably out of date. The 50 per cent contributions by the province are based on the following maintenance scale: \$1.80 per day for up patients; \$3.00 per day for bed patients; and \$3.70 per day for special care patients. According to the Welfare Department of Edmonton, matching payments based on this scale meet less than 30 per cent of the actual cost incurred in that city.

IT IS RECOMMENDED THAT THE SCALE OF MAINTENANCE COSTS ON WHICH MATCHING PROVINCIAL CONTRIBUTIONS TO HOMES FOR THE AGED OR INFIRM ARE BASED BE REVIEWED AND REVISED UPWARDS.

The cities of Calgary and Edmonton are placed in a peculiar position with respect to children of unmarried parents coming under public care. They are the only municipalities who are expected to contribute 40 per cent of the amount spent on such cases. In explanation, it was pointed out that, outside the two large cities, the steps necessary to the establishment of municipal wardship might disclose the parentage of such children. To avoid this, the province does not attempt to fix residence and charge back part of the cost in other places.

IT IS RECOMMENDED THAT THE CITIES OF CALGARY AND EDMONTON BE FREED OF FINANCIAL RE-

SPONSIBILITY WITH RESPECT TO CHILDREN OF UNMARRIED PARENTS COMING FROM THESE TWO CITIES.

At any one time, the indigent category includes a number of individuals and heads of families who are employable unemployed. Even in relatively good times, they may form a sizeable group and certainly the heavy seasonal unemployment that developed throughout Canada last winter pointed up the potential threat to municipal financing from their continuing residual responsibility for indigent employables.

Among those who have studied the problem of public responsibility for the employable unemployed, there is widespread agreement that the place where financial responsibility should lie is with the federal government. The Rowell-Sirois Report and the Dominion's own 1045 "Proposals" both acknowledge such a responsibility. The Federal government has lessened the problem by the introduction of Unemployment Insurance but has by no means eliminated it. At the present time, the Government of Canada is not prepared to accept even a partial responsibility for unemployment relief. In the meantime, municipalities because of their dependence on the real property tax and the narrowing of their own physical boundaries, are in no position to carry a large and unpredictable financial burden. It seems reasonable to suggest that a province which is as well situated financially as the province of Alberta should relieve the municipalities of all or the bulk of their present responsibility in this field.

While there is a fair measure of agreement as to where the responsibility for public relief to employables should be lodged, it is not easy to find any accurate way of defining at any one time what persons come under this classification, therefore, that the province will not choose to differentiate between indigents whose reason for being so is a temporary loss of employment and others who have become unemployable. The province can hardly be criticized for some reluctance to pioneer in this field. On the assumption, therefore, that the province will not choose to differentiate in legislation between the two groups, the alternative course would be a further increase in the level of its financial aid to the entire body of municipal indigent cases.

Of late, the cost of indigent care borne by Alberta municipalities has not been rising at all rapidly. A review of available figures would suggest a net municipal cost under the 60 per cent support arrangement of not much over \$1 million per annum, although the figure is probably becoming rather higher now. The important point, however, is to minimize the threat of the future.

IT IS RECOMMENDED THAT THE GOVERNMENT OF ALBERTA INCREASE ITS PUBLIC ASSISTANCE CONTRIBUTIONS FOR INDIGENTS, FROM THE PRESENT 60-40 DIVISION TO AN 80-20 APPORTIONMENT OF ASSISTANCE COSTS.

IN LIEU OF TAXES

As a result of representations from the municipalities, the province of Alberta is making payments in lieu of taxes

on its liquor outlets and the properties of its marketing services. Nothing is paid, however, with respect to the provincial treasury branches which, it has been contended, were set up in the first place to provide a service that the banks were unwilling or unable to perform. Today, the treasury outlets have grown into a successful commercial enterprise which in some places is in competition with the chartered banks. As such, they too should make payments in lieu of taxes.

Under the British North America Act, crown properties cannot be made subject to taxation as such. Instead, Canadian municipalities through their various associations have been attempting for some years to secure full payments in lieu of taxes, believing that their local communities are not in a position to go on supporting this special privilege of the senior governments at municipal expense. In our view, this reasoning is entirely sound. Since the municipalities are legal creatures of the province, we believe that each province should set an example in recognizing the justice of full payments on their provincial properties in lieu of municipal taxes. In doing so, they would be strongly reinforcing the case for similar payments from the federal government. The Government of Canada is already providing partial compensation in lieu of taxes on its real property holdings and might thereby be convinced to enlarge the basis of payment.

Alberta is among those provinces that have legislated to eliminate or curb a formerly wide-spread municipal practice of granting fixed assessments or other forms of aid to new industries locating within their borders. Such favorable treatment of particular property-holders would of course put an added tax burden on some home owners and other business property owners. Exactly the same argument applies with respect to the growing number of provincial government properties. In Alberta's case, these properties apparently include certain commercial and residential holdings that are not at present being used for any governmental purpose. Yet with government purchase, the right to tax has been lost.

IT IS RECOMMENDED THAT THE PROVINCE OF ALBERTA MAKE FULL PAYMENTS IN LIEU OF TAXES ON ALL ITS PROVINCIAL PROPERTIES WHETHER IN COMMERCIAL USE OR OTHERWISE.

Under the same heading in Table 14, we find a recurring payment of \$62,000 in compensation for cities' loss of service tax. The payment is made to Edmonton and Calgary for the loss of what was a form of income tax in use many years ago. The amounts have not been adjusted for more than twenty years. Consequently, they bear little or no relation to any claims that these cities might now advance for revenues from the province. If these cities still warrant compensation for this lost tax source, the basis of payment should certainly be reviewed and revised. We believe rather that any assistance forthcoming should take a new form and should bear no relation to the old service tax.

IT IS RECOMMENDED THAT THE ANNUAL PAYMENTS FOR LOSS OF SERVICE BE DROPPED.

HOSPITAL GRANTS AND SERVICES

The province's contributions to local governments under the hospital care plan have been singled out for special consideration for two reasons. First of all, the programme — which, it is maintained, must be viewed as still in its experimental stages in terms of financial and administrative controls — is a decidedly complex and controversial under-

taking that has come in for particular notice, and sometimes under sharp criticism, by municipal representatives. Secondly, while the plan has been called a matching grant scheme, it differs from the usual conditional grant programme under municipal auspices. In spite of the fact that a number of Alberta municipalities have been operating "hospital in-

insurance" plans for their citizens for as long as 35 years, the service is not a traditional municipal responsibility financed from property taxes. Moreover, the property tax is a debatable source of funds for such an undertaking. Even more important is the point that the municipality, the voluntary hospital, or both becomes the residual contributor of amounts far in excess of the sums supplied from provincial revenue.

In the calendar year 1953, the province of Alberta paid out a total of \$2,044,000 as its share of the hospital care programme. The amount included supplementary payments under the special services programme that began to be introduced commencing July 1st. Table 10 shows that in the same calendar year municipalities expended \$4,332,000. The latter expenditure is not entirely attributable to the hospital care plan inasmuch as municipalities, through their contributions, are undertaking to maintain the current budgets of hospitals which may require financial aid for other reasons than the hospital care plan itself. It should be noted, however, that municipal contributions towards indigent hospitalization are not included in this figure. Moreover, any residual financial requirements imposed on voluntary hospitals by the hospital care plan where the standard rates on which payment is made to them prove inadequate are not normally picked up as municipal responsibility.

Before embarking on an analysis of the hospital care plan as it affects the local citizen and taxpayer, it is appropriate to recognize that the province is spending very large sums to reduce the impact of unpredictable hospital expenses on the individual citizen. In the calendar year 1952, the province spent well over \$6 million as its contribution to patient services in Alberta hospitals, not including the expenditures on maintenance of mental hospitals. The total was nearly five times the amount directed specifically to the support of the dollar-a-day plan. While the money came of course from public revenues, the broad range of hospitalization needs that the province has seen fit to recognize as a public responsibility should be fully acknowledged.

Under the hospital care plan, municipalities are invited to enter upon a partnership in a hospital insurance scheme and for a number of reasons it is becoming virtually impossible for them to resist the invitation. There is, to begin with, a humanitarian motive. The idea of relieving people of the threat of financial disaster that is commonly associated with serious illness has naturally a strong appeal. Again, an open offer from the province to split the public cost of hospital insurance means that municipalities which take up this scheme obtain the service for their citizens at a bargain price. As provincial taxpayers, local residents are helping to pay for hospital insurance throughout the province whether their municipality gains any advantage from it or not.

Finally, it has been learned from a number of reliable sources that the province has exerted a more direct financial pressure to bring reluctant municipalities into the plan.

On two occasions, the citizens of Calgary voted down the hospital care plan. Then, under an amendment to the legislature which permitted the vote of the ratepayers to be dispensed with, the standard ward care plan was adopted by a vote of the City Council. It is said that the Council agreed to the plan because the province made payment of the matching federal-provincial hospital construction grant conditional upon Calgary's participation.

The hospital care plan — which, it would appear, is destined to embrace an increasing number of municipalities

—is at the present time throwing a decidedly uneven burden upon local citizens. How wide the spread has become between various municipalities is clearly evident by reviewing the net mill rates that were imposed in 1953. Net mill rates are those that must be levied after deducting the proportion of the municipal assistance grants which are allocated to the support of this one service. Among cities, towns and villages, the lowest rate was \$1.00 per thousand dollars of assessment. The highest rate was \$12.50 among the cities, \$13.00 among the towns and \$14.00 among the villages. The rates in municipal districts and counties ranged between a low of \$2.00 and a high of no less than \$20.00. In between these extremes, the rates of individual municipalities varied throughout the whole scale with little tendency to concentrate at any intermediate figure.

Part of the difference may be accounted for by variations in the basis of municipal assessments, both statutory and otherwise. But such variations alone cannot account for the wide range in hospital mill rates. Wide-spread differences in rates are not just between classes of municipalities. The municipal burden of the hospital care plan is just as uneven among municipalities of the same class.

Another effect of the hospital care plan is to secure a municipal partnership at the price of removing from the citizen any individual choice concerning either his basic participation or the purchase of the "extras" benefits. When the majority in a municipality has rejected all or part of the scheme, the individual ratepayer cannot obtain coverage separately. Conversely, when the majority decides in favour of the scheme, even at a cost which individual ratepayers may consider inordinate, the minority cannot remain outside.

Under the hospital care plan, a basic inequity also exists between owners and tenants. Ratepayers alone are entitled to the dollar-a-day benefits without further direct payments. Tenants must purchase a contract at the regular rate of \$8.00 per annum for standard ward care. In some jurisdictions, the cost to individual or tenant families is higher.

Quite clearly the tenant is being asked to pay for the service twice. The whole principle on which real property taxation is based is that the money it brings in comes, in the long run, from owner-occupants in taxes and from tenant-occupants through their rents. What an outcry there would be if tenants were expected to contract each year for the use of parks and benefits of police and fire protection, the right to send their children to school, and so forth. Yet this is an exact parallel to what is demanded from them under the hospital care plan. Under the municipal dollar-a-day scheme that were in effect prior to 1950, the tenants, like the owner were entitled to the benefits. The new general scheme, by cutting out the tenant, has misrepresented the whole cost picture of provincial-municipal hospital insurance.

During the period of field interview, it was frequently suggested that the present rate structure adopted by the province favours the municipality or hospital district which does not itself operate a hospital. A review of the mill rates in 1953 would appear to support this claim. Moreover, such a result is practically inevitable since the public cost of the hospital care programme that is being borne locally is actually greatly in excess of the so-called matching contributions of the provincial government.

From the province's point of view, financial aid to eliminate or limit the individual's hospital bills is not, of

course, limited to the hospital care plan. The province also assumes responsibility for maternity hospitalization, for the hospital needs of those people who come under its public assistance programmes including pensioners, recipients of mothers' or widows' allowances and others in receipt of direct provincial social aid. As well, its programme extends to sufferers of special ailments — poliomyelitis, cancer, arthritis, tuberculosis. The province also contributes on a 60-40 basis toward the hospitalization cost of municipal indigents. And to all public hospitals it provides a payment of 70c per patient day.

From the municipalities' point of view, the individual local authority which takes on the hospital care programme is primarily interested in only two undertakings — the hospital care plan and the hospitalization of its own indigents. Such a local authority, however, may find itself financially involved with respect to every other programme operated by the province except the 70c a day grant. Certain of the programmes impose special financial responsibilities on municipalities. Under all the provincial public assistance arrangements, the province pays the cost of "extras" for a maximum period of twenty days. If "extras" are required by a patient for a longer time, the added expense must be absorbed by the hospital. This means that the burden ultimately falls either upon municipal taxpayers or on those subscribing to the support of voluntary hospitals in their own local communities.

The province's cancer assistance covers only diagnosis and the cost of recommended treatments. It has been reported that a patient suspected of having cancer who undergoes hospitalization for diagnosis can only recover the expense from the province in the event that the check-up discloses a malignant condition. Yet a patient who accepts treatment believing that the province is committed to meeting the cost is likely, when he discovers his mistake, to try to shift the expense to someone else. If the province refuses to pay, the municipality may be asked to, or the hospital may find its bill unpaid.

The main point, however, about the strictly provincial schemes is that the payments to public hospitals are based on "standard" costs on a formula basis similar to the rate structure developed for the hospital care plan itself. To the extent that the authorized provincial rates fall below the actual cost incurred by the hospital, the financial problem reverts here also either to the hospital board if it is a voluntary hospital or, if it is a municipal hospital, to the municipality or hospital district. The province is naturally reluctant to establish rate categories that enable some hospitals to make a profit from the programme it is sponsoring. Yet the result of the present arrangement is that, in many instances, authorized payments are less than the actual costs incurred.

The co-existence of four major hospitalization programmes and a number of alternative arrangements within each necessarily complicates the accounting problem. The hospital must send out bills to the municipality, must report patient care costs to the province and must bill the patient himself for certain expenditures. The hospital may also find that the patient has coverage under Blue Cross or some other non-governmental insurance scheme. To further tangle the situation, a patient may be admitted to hospital as, for example, a maternity case and receive treatment for something else at the same time. Such overlapping in terms of programmes constitutes a source of confusion and possible misunderstanding which is all too common. If nothing else, it necessitates a lot of figuring before sending in returns,

especially when a conscientious effort is made to determine the maximum benefits for which the patient can qualify.

Under the plan, the patient is required to pay only the dollar a day for standard ward care during his entire period of stay in the hospital. Yet the contributions by the province and the municipality are not scaled so as to make up the difference between the patient's \$1.00 payment and actual costs incurred by the hospital. The matched-sharing of expenditures is based rather on the estimated cost of patient services by classes of hospitals. The one hundred public hospitals concerned have been grouped into five categories, from A to E. The estimate of average standard ward costs for each category of hospital has been arrived at by looking at the average costs for all hospitals in the particular category. When the scheme was introduced, the top rate was \$6.80 per patient per day, scaling down to \$5.10 per patient per day for Class E hospitals. As a result of a commission study on which there was representation from the two levels of government and the hospital association, a change of rates was introduced on March 1, 1953 which brought the top rate to \$8.25 per patient per day and introduced some variation in the grading otherwise. A corresponding revision of rates was also extended to the provincial rates for maternity and public assistance payments for hospitalization. With the exception of the extras coverage, the various categories were placed on a uniform rate. Under the dollar a day scheme, per diem rates for extras were scaled from \$4.00 to \$1.20 and the patient was made responsible for 25 per cent of the amount. In other words, where a municipality has taken on the special services contract in addition to the standard ward programme the ratepayer is expected to contribute anywhere between \$1.40 per day and \$2.00 per day, depending upon the category of hospital in which he is an approved patient.

At the time the revised rate structure was worked out, there seemed to be general agreement that the rates set were realistic in relation to the existing level of hospital expenditures. The financial results of hospital operations since that time would seem to indicate, however, that the rates are not now appropriate and were only very roughly applicable when they were adopted. It should be noted in this connection that there was a five-month time lag between the field investigation of hospital costs and the adoption of the revised rate schedule.

Some of the major weaknesses of the payment structure now in use are as follows:

1. The problem of developing an appropriate rate structure governing provincial-municipal contributions under the dollar-a-day scheme is primarily a technical one. The commission which developed the rate structure now in use obtained a good deal of technical assistance but did not undertake as detailed or careful investigation of costs in the twenty public hospitals that were surveyed as could have been provided by a competent team of technicians. Similarly, applications for changes in category coming from the hospitals themselves have not been supported by detailed and careful analysis of their costs.

2. At the time of the commission's survey, a number of hospitals were short of staff. The expenditure pattern that they were able to provide was based on the then-existing situation in terms of equipment and personnel. The hospital which is attempting to strengthen its staff and improve its facilities is penalized by the established rate categories.

3. The commission could not fail to be influenced by the effort made in voluntary hospital insurance plans to maintain

a relatively simple breakdown of payments under as few categories as possible. Nevertheless, it is obvious that a larger number of categories of payments is necessary if the government contributions plus the patient contributions are to approximate actual and justifiable costs incurred by individual hospitals.

4. There has not always been a full realization of the costs involved in running a hospital by the hospital authorities themselves. Among public and voluntary hospitals alike, there is a disposition to ignore plant depreciation as part of the annual current cost picture. The voluntary hospital puts on a drive for capital funds when it sees the need of it and the opportunity to do so. It may run along without making provision for replacing or renovating the structure from the charges made to patients. Municipal hospitals are influenced in their accounting by the rarity of commercial depreciation practices in their own setting.

5. A related problem has been the lack of uniformity in accounting among public hospitals in the province of Alberta. The announced intention to introduce the Canadian Hospital Accounting Manual as a standard guide commencing with January, 1955, will do much to overcome this obstacle to realistic rate setting.

6. Among the voluntary hospitals, there is a tendency to under-estimate salaries. Currently, there are 36 such hospitals and 31 of them are under Roman Catholic auspices. The Catholic hospitals have made considerable use of religious orders in staffing. For purposes of rate setting, a salary is shown for such people, but it may well have been a minimum salary.

7. Any plan which undertakes to establish a cost scale by classes cannot conceivably embrace a scale to coincide with the real costs that are required to be met, hospital by hospital. Under such a classification, the provincial-municipal payments will have the effect either of placing some hospitals in a surplus position which might be viewed as constituting an unjustifiable use of public funds, or will leave other hospitals in a fairly serious deficit position. Indeed, this type of payment plan may do both at the same time. There is every indication both from the financial returns submitted by hospitals to the province and from data obtained from other sources that there are very real differences in the expenditure per patient between one hospital and another. If reasonable equity is to be achieved, it seems quite obvious that the number of classes within the rate category plan must be increased considerably.

8. A formula for provincial-municipal payments to hospitals which is based on an estimate of costs made only at irregular intervals does not take into account the immediate impact of any change in price levels on hospital costs. The time lag between the field investigation of hospital costs and the recent application of the resulting rate schedule meant that the revised rates were probably already outdated by inflation when they were introduced.

The establishment of hospital insurance schemes under direct government sponsorship is a relatively recent development in this country. The first explanation of the subject was carried on at the provincial level and, specifically, in the four western provinces. During the war, the Government of Canada began to give serious attention to health insurance as a possible national responsibility. Its "Proposals" submitted to the 1945 Dominion-Provincial Conference included a plan for a public health programme. In 1948, Ottawa introduced health survey grants as part of the health grants scheme replacing the 1945 Proposals.

The resulting studies undertaken in various Canadian Provinces provided further encouragement for provincial governments to undertake health insurance coverage for their people. Hospital insurance is now provided under quite different schemes operating in the three most western provinces. While for our own country they have taken the lead, hospital insurance has been accepted as a government responsibility in many other countries and, if there is a trend, it is towards general adoption of such a service.

A combined provincial-municipal hospital insurance plan is not by any means the customary pattern for providing hospital insurance. This is not to suggest that it is an unacceptable method if carefully developed. As a general principle, it is good policy to place as large a range of public service responsibilities at the local level as possible, provided always that a reasonably equitable method of financing can be found and a properly competent administration can be developed.

The partnership plan in Alberta is intended to assure that hospitals will not become overloaded with patients who could be looked after in their homes. The combined scheme is intended to ensure the maintenance of economical administration through the close supervision that locally-elected representatives can give to hospital operations in their own municipalities. Another advantage of municipal participation as it has worked out in Alberta has been the tendency to bring greater than average improvements in facilities to the rural areas and, thereby, to encourage good medical practitioners to locate in such areas. It would appear also that rural people have found the municipally-sponsored plan more attractive than private plans because of the accompanying benefits and the financial encouragement coming from the province. It seems fair to say that more farm and rural people are insured because of the joint governmental scheme than would be the case if they were entirely dependent upon private plans.

One of the prices that the people of Alberta have had to pay for choosing the two-level governmental scheme is the apparent necessity of placing a further load on the real property taxpayer and a residual load at that. A hospital insurance scheme under public auspices is usually expected to involve a large measure of financial levelling by which poorer communities are helped in their desire to obtain insurance benefits. The distribution of the municipal expenditure, however, is intended to be based strictly on the cost of hospitalization. No fiscal need adjustment is implicit in the formula. Moreover, the variations between category rates and real hospital costs along with the residual burden arising from other provincial hospitalization schemes are not distributed with any relation to fiscal ability.

In a number of quarters, the suggestion has been made that the province may undertake to increase its proportion of the shared payments to a 60-40 basis in place of the present 50-50 split in order to lighten the heavy burden now borne by municipalities.

While such a change would help the municipality, lacking any revision of standard costs, it would not help the hospital. Voluntary hospitals would not only gain nothing; comparatively, their position would be worsened since such a development would tend to delay any revision of the existing schedule of rates. In addition, hospitals that were accepting patients from other municipalities on a referral basis or contracting to provide service to another municipality would not be assisted in that respect by the change.

Another obvious weakness of the provincial-municipal plan as it now operates is that it works against the transfer

of patients to larger hospitals offering special services or facilities. Emergency hospitalization away from home is likewise discouraged. Some would argue, in addition, that the patient's choice of hospital and doctors is undesirably limited. Be that as it may, it seems evident that specialists and special facilities can never be spread throughout the whole of the province. There will always need to be referrals from the local hospital to the more highly-specialized institutions. As the legislation now stands, a municipality coming under the plan is free to choose the extent to which it will recognize the need for referrals. In making the choice, it knows that referrals will add to the local tax burden.

It is not suggested that the shortcomings which appear to exist in the experimental administrative stages of the hospital plan should lead to abandonment of the municipal partnership. It is our conviction, however, that important changes should be introduced if that consequence is to be avoided.

IT IS RECOMMENDED THAT THE PROVINCE AMEND ITS HOSPITAL LEGISLATION TO COVER TENANTS ON THE SAME BASIS AS PROPERTY OWNERS.

IT IS RECOMMENDED THAT A TENANT WHO HAS RESIDED ANYWHERE IN THE PROVINCE FOR MORE THAN TWELVE MONTHS BE GRANTED RESIDENCE STANDING FOR HOSPITAL INSURANCE PURPOSES IN HIS MUNICIPALITY OF PRESENT RESIDENCE.

IT IS RECOMMENDED THAT THE SEVENTY CENTS PER DIEM GRANT BE INCREASED SUBSTANTIALLY AND PAID ON A GRADED BASIS ACCORDING TO THE RATE STRUCTURE IN EFFECT FOR THE HOSPITAL CARE PLAN AND OTHER PROVINCIAL HOSPITAL PLANS.

The increase in the per diem grant available with respect to the total patient load in all public hospitals would serve the following purposes:

- (a) It would enable the coverage of tenants to be effected without any increase in the matching contributions of the province and the municipality.
- (b) It would lighten the residual cost falling on municipalities and voluntary hospitals with respect to both the dollar-a-day plan and the provincial special plans.

- (c) It would improve the relative situation of voluntary hospitals in comparison with municipal hospitals.
- (d) If made large enough, the increase would lessen the reliance on the property tax.
- (e) If introduced immediately, it would provide some relief to municipalities until a more adequate rate structure for cost sharing could be introduced.

IT IS RECOMMENDED THAT, AFTER ONE YEAR'S EXPERIENCE WITH THE NEW CHAM ACCOUNTING METHODS, A NEW STUDY OF RATES BE MADE AND A REVISED STRUCTURE BE DETERMINED WHICH WOULD TAKE BETTER ACCOUNT OF ACTUAL COSTS OF HOSPITALIZATION AND AVAILABILITY OF DIVERSIFIED FACILITIES. IT IS RECOMMENDED FURTHER, THAT THE NEW RATE STRUCTURE INCREASE THE NUMBER OF CATEGORIES SUBSTANTIALLY OR ESTABLISH SEPARATE RATES FOR EACH HOSPITAL INDIVIDUALLY.

IT IS RECOMMENDED THAT MUNICIPALITIES PARTICIPATING IN THE HOSPITAL CARE PLAN BE REQUIRED TO ACCEPT A FULL FLEDGED REFERRAL SCHEME AS PART OF THEIR RESPONSIBILITY TO THEIR RESIDENTS.

It is recognized that a compulsory referral clause would increase the municipality's cost of hospital insurance in municipalities whose own hospitals or contract hospitals fall in the lower categories. Nevertheless, such communities should be expected to contract for a full-fledged insurance scheme of which, it is maintained, free referrals are an essential part.

IT IS RECOMMENDED THAT STEPS BE TAKEN TO MERGE THE STANDARD WARD AND "EXTRAS" PLANS AS A SINGLE PACKET OFFER.

IT IS RECOMMENDED THAT RATEPAYERS AND TENANTS WHO ARE ELIGIBLE FOR HOSPITAL INSURANCE BE ALLOWED TO TAKE UP THE PROVINCIAL BENEFIT EVEN IF THEIR OWN MUNICIPALITY HAS NOT JOINED UP IN THE SCHEME. SUCH INDIVIDUALS OR FAMILIES SHOULD BE REQUIRED TO PAY ONLY THE DOLLAR-A-DAY PLUS THE APPLICABLE MUNICIPAL CONTRIBUTION.

SCHOOL GRANTS

Year by year school grants have constituted by far the largest single category of provincial aid to local authorities. At the beginning of the period covered in Table 14, school grants amounted to two-thirds of the total grants by the province; at the end of the period, they made up less than half of the total. Nevertheless, the absolute increase in school grants over the seven years was quite remarkable. Operational grants jumped from \$3.7 million in 1946-47 to \$11.6 million in 1953-54. And in the latter year, the capital grants which have now come into the picture in recent years had added a further \$2.7 million.

The comparative figures for five provinces contained in Table 4B shows that, on a per capita basis, Alberta ranked fourth in its educational grants programme in 1946. By 1951-52, the province was second only to British Columbia in per capita grants. Since March 31, 1952, Alberta grants have probably increased more rapidly than those paid by British Columbia. The latter province was sufficiently in the lead, however, to suggest that it may still be paying

larger amounts per capita than Alberta.

In order to see how Alberta's school programme is doing at the local level, further reference is made to Table 6B. This comparative statement shows that, in 1946, local school authorities in this province were requisitioning the highest per capita amount from real property taxation paid in any of the five provinces. By 1952, Saskatchewan had moved slightly into the lead. But Alberta school authorities were still drawing very heavily from real property taxes for school purposes.

While the comparative picture with other provinces cannot be carried forward beyond the year 1952, it is evident from the later data available on Alberta school grants and tax revenues that local schooling in this province is continuing as an expensive proposition. Table 11A shows that school requisitions per capita were still increasing in the year 1953. As already noted, Table 14 reveals that school grants had likewise increased substantially in the fiscal year 1953-54.

An important question to consider is why the cost of local schooling in Alberta is so high in relation to expenditures in all other provinces except British Columbia? A partial explanation may be found in the creation of large school divisions throughout the rural portions of the province. When these divisions were formed, it may well have been anticipated that the pooling of facilities would not greatly increase the cost in relation to the service provided. But the objective was clearly to improve standards in rural areas — which costs money — and there is not much doubt that a remarkable change in this regard has taken place.

Another reason why the local school programmes in Alberta are, and will continue to be, expensive is that the construction of new and improved facilities has imposed a heavy debt burden upon school authorities. In very recent years, the debt has been contracted in part with the province as interest-free, or low-interest, loans and in part through debentures floated in the open market. Since the province is guaranteeing the interest on open market borrowings, however, they have been secured at somewhat lower rates than would otherwise have prevailed. Although the result will be a smaller burden of debt charges on the more recent obligations, the debt floated prior to 1950 continues as a burden at normal rates of interest.

During the field interviews, none of the municipal authorities took the view that school boards were wasting tax funds. Yet there was some understandable concern at the size of school requisitions which, from the municipal point of view, are uncontrollable. These school requisitions which are almost entirely beyond the control of local councils need not to be out of reach of the school electorate. School boards should be expected to give an accounting for the money they spend and any ambiguity as to responsibility for the school mill rate should be removed. In this connection, it was suggested that school requisitions are sometimes presented to municipalities as no more than a single figure covering total requirements.

INsofar AS IT IS NOT THE PRACTICE NOW, IT IS RECOMMENDED THAT SCHOOL BOARDS BE REQUIRED TO SUBMIT DETAILED BUDGET ESTIMATES TO MUNICIPAL COUNCILS IN SUPPORT OF SCHOOL REQUISITIONS.

Adoption of this recommendation would enable municipal councils to subject school budgets to public scrutiny where there was any feeling that this was not already being accomplished by the school board itself.

Considering the financing of education by classes of municipalities and school authorities, we find from Table IC that the largest percentage increases in school grants over the years 1947 to 1952 have been obtained by city and town districts and the smallest increases by school divisions. What this seems to signify, however, is that the urban areas were late starters in being recognized as requiring sizeable school grants. The grants going to the divisions continue to bulk very large in the total picture.

Table IIA reveals that the school authorities in the rural areas are calling for notably heavier tax support for their educational services than are the cities. Between the years 1946 and 1953, requisitions in municipal districts have increased some 150 per cent whereas the increase in cities has not been much more than 50 per cent. Probably one of the reasons for the lesser increase in local school expenditures in cities has been the greater pressure of competing demands on the tax dollar in comparison with rural areas. Another part of the explanation may lie in

the greater proportionate increase in school grants paid to the cities and towns.

With the exception of occasional emergency aid to particularly hard-pressed local schools, provincial grants for capital construction have been an entirely new development starting in 1950. In that year, grants were made available to cover 12½ per cent of approved capital construction. In 1951, the contribution was moved up to 20 per cent, and in 1952 to 25 per cent. Last year the percentage grant was dropped in favour of one related to the number of proposed new classrooms. Under the new scheme, which is still in effect, the amount of capital grant is graded from \$4,000 to \$6,000 per classroom depending on the size of school constructed. No difference is made in the size of the grant between elementary and secondary schools although it is an established fact that school construction costs per classroom may be as much as 50 per cent greater for secondary schools.

IT IS RECOMMENDED THAT SOME DIFFERENTIATION BE INTRODUCED BETWEEN THE GRANTS MADE AVAILABLE FOR ELEMENTARY AND SECONDARY SCHOOL BUILDINGS.

In further support of this proposal, it is worth noting that the rapid population growth during and since the war is just beginning to have a pronounced effect on enrollments in secondary schools. The need for new secondary school accommodation may be expected to increase at a steadily growing rate in the coming years.

An additional provision in the present capital grant regulations allows for a possible bonus grant of 10 per cent where the building is of brick, steel or similar construction. The question may well be asked why this grant has been placed on a discretionary basis in the regulations? As a general rule, grant plans should impose as little responsibility as possible on the administering board or department for the exercise of discretionary authority.

A further point in regard to the present construction grants is that the change from a percentage to a per classroom basis if anything reduces the proportion of grant support from that in effect under the 1952 legislation. The per classroom cost of sizeable elementary schools runs to perhaps \$20,000. For secondary schools, it may be as high as \$30,000 or more depending upon the facilities provided.

Even with the 10 per cent bonus provision, the present formula may have another adverse effect. In order to increase the proportion of the total cost covered by grant support, school boards may be encouraged to sanction cheap construction. Likewise, there may be a tendency to reduce the provision of gymnasiums, auditoriums and similar non-classroom accommodation. The importance of this point is not clear from the act itself. For capital grant purposes, the School Buildings Assistance Board is authorized to prepare a schedule of equivalent accommodation to standard classrooms, subject to the approval of the Lieutenant-Governor-in-Council.

Operational grants for schools are paid out under a number of different regulations which are designed to recognize various indicators of fiscal need. There is first a basic grant per teacher which, in 1952, ranged between \$500 and \$1,500 depending upon the type of teaching and the level of instruction. In two steps, this grant has been brought to a straight payment of \$850 per teacher with a larger amount only for teachers of handicapped children. There is no longer, in other words, any recognition of the higher level

of teachers salaries in secondary schools. In the fiscal year 1953-54, payments under this item were just under \$5.9 million of which almost \$3.7 million went to rural school divisions. School boards are also assisted in transporting pupils to schools by a grant of 40 per cent of the actual expenditure incurred and there are like provisions where parents provide the transportation or where special teachers have to be moved about from school to school. In 1953-54, these transportation grants ran to better than \$1.6 million.

Another basic grant is determined from pupil enrollment. In the latest fiscal year, a payment of \$5.00 per pupil brought in approximately \$900,000 to school authorities. Tied in with this grant is a sizeable bonus payment to schools whose pupil enrollment is increasing at a faster rate than the provincial average. At \$100 per pupil for the above average increase, payments in 1953-54 amounted to \$336,000. Of this total, \$265,000 was earned by the cities and towns.

This provision in the school grants legislation is of special interest because it provides significant recognition on an established formula basis of the special problems which accompany rapid population growth in urban communities. The principle that has been recognized here might very well be extended to other services. It might be applied to offset the very large expenditures required by Edmonton, Calgary and other growing centres with respect to hospital care, road construction, welfare services, expanding health services and the like.

IT IS RECOMMENDED THAT THE PROVINCIAL DEPARTMENT OF MUNICIPAL AFFAIRS BE INSTRUCTED TO INVESTIGATE AND REPORT TO THE GOVERNMENT ON THE JUSTIFICATION OR OTHERWISE OF A SPECIAL GRANT TO THE FASTEST-GROWING MUNICIPALITIES ON A FORMULA PATTERNED AFTER THE SCHOOL ENROLLMENT BONUS GRANT.

The significant provincial payment to school authorities is the equalization grant. The formula in this case relates to the total property assessment in school districts. The payments are directed to schools whose assessment per classroom is below \$110,000 in the case of city and town districts, \$115,000 in the case of village districts, \$120,000 in consolidated districts and \$130,000 in other rural areas. The equalization payment rates are also weighted in favour of the rural schools. For the year 1953, the effect of this double weighting was to channel a full 95 per cent of the equalization grant to the rural divisions and districts.

The steps that have been taken in recent years to equalize assessments throughout the province have been an essential prerequisite to the use of an inverse assessment base in determining equalization grants. Wide discrepancies in assessment levels have probably been eliminated. Nevertheless, the scale of assessments per classroom incorporated into the grant formula seem quite unrealistic. Rural assessments omit any valuation of farm buildings. A further point is that assessment values necessarily go up in relation to population as the urban community increases in size. Allowing for both these factors, a lower total assessment per classroom is quite to be expected in rural areas even where there is no evidence of special need. It might be argued in the other direction that Alberta cities compile assessments on the basis of 100 per cent valuation of land and only a 60 per cent valuation of improvements, whereas the remaining municipalities are required to employ a 100 per cent valuation throughout. To some extent, this difference is offset by the fact that the cities of Edmonton and Calgary at least are employing a more up-to-date base year as a guide to value than the province's assessment staff is using or recommending in other municipalities.

The essential point in regard to the equalization grant is that the terms of the present formula allow for grants to all school districts but establish such severe qualifications for the cities and some of the towns as to rule them out entirely. If the regulations are intended to bar the larger urban municipalities from any support by way of equalization grants, they might better say so in plain language.

IT IS RECOMMENDED THAT THE EQUALIZATION GRANT FORMULA BE REVISED AT THE EARLIEST OPPORTUNITY. WHILE THE GRANT PER THOUSAND DOLLARS OF ASSESSMENT BELOW THE DESIGNATED LIMIT SHOULD BE MORE HEAVILY SCALED IN FAVOUR OF THE RURAL AREAS, THE DESIGNATED LIMIT ITSELF SHOULD BE MADE UNIFORM.

While the comparative data on school financing in the five most westerly provinces placed the province of Alberta in an unfavorable light in relation to the strength of provincial revenues, the more recent figures obtainable for the province of Alberta alone disclose a changing situation. Between the years 1946-47 and 1953-54, school grants climbed from \$3.7 million to no less than \$14.3 million, including in the latter figure the \$2.7 million of new capital aid. Grants in Alberta have almost quadrupled over the period.

In relation to school requisitions for the calendar year 1953 of something over \$25 million, Alberta grants for current purposes in the same year had reached a level of over 30 per cent of the local school financing for current purposes. In addition, capital grants were being continued at a little less than 25 per cent of expenditures.

In addition to the increase in the amount of grant money, it is worth noting that the year 1953 saw the establishment of a new basic grant of \$5.00 per pupil available to all school authorities. This year the grant was stepped up to \$7.00 per pupil and the 1954-55 provincial budget indicates that the per pupil grant may total \$1,325,000. It should be noted, moreover, that changes in the grant formula and increases in the school population will together bring a total increase in grants in the year 1954-55 of approximately \$2 million over the level of assistance provided in 1953-54.

The recommendations that have been made with respect to the school grants programme are based on three important facts — first, the rate at which support by the province has been increasing in recent years; secondly, the intention that these proposals should be confined in the main to changes that could be introduced almost immediately; and thirdly, the danger of advocating a fundamental re-organization of the school grant structure without careful consideration of all its implications.

The adoption of two of our education recommendations would result in increased grant payments. The present equalization grants are expected to amount to \$4.3 million in the year 1954-55. Of this total, rural municipalities will receive just under \$4 million. The figure compares with local requisitions by the rural municipalities in 1953 of some \$10.5 million. In the same year, urban requisitions amounted to some \$14.5 million. It seems reasonable to suggest, therefore, that a new equalization formula which was scaled to give greater assistance to urban municipalities might increase the total provincial payment by between one and two million dollars.

The capital grants for school construction stood at \$2.7 million in 1953-54. Assuming that the changes in grant payments continue the same level of support for elementary school construction, the higher grants for secondary classrooms might add, as a maximum, perhaps half a million dollars to the total.

UNCONDITIONAL GRANTS AND SHARED REVENUES

It will be seen from Table 14 that Alberta municipalities are receiving shared revenues coming from liquor fines and the gasoline tax. The important item is, of course, the sharing of gasoline tax revenues. The province is splitting the proceeds of this tax with the municipalities on a 50-50 basis subject to the deduction of collection costs. With the buoyant revenues from consumer levels that have prevailed since the war, the yield has been large and increasing. Through this medium the province injected \$4-2/3 million into the municipal budget stream in the first year, nearly \$6 million in the second year, well over \$7 million in the third year. The estimate of 1954-55 is over \$8½ million.

The sharing of gasoline revenues is currently proving of very real benefit to municipalities and it is undoubtedly lessening the pressure on the real property taxpayer. We would agree with the viewpoint of the Judge Report that a grant or shared revenue whose municipal use is not controlled by the province should have a place in the grants scheme because it interferes least with local autonomy. And it is our conviction that such forms of assistance should bulk large in the total of grants and payments.

The question to be considered with respect to the present shared revenues are three-fold. First, is the source of the money a suitable one for a large unconditional payment? Secondly, is the plan for distributing the money among local authorities appropriate in relation to their individual fiscal requirements? Thirdly, is the total amount adequate when measured against their combined financial responsibilities and the other avenues open to them to obtain revenues? In order to lay the ground for an adequate consideration of these questions, some thought will first be given to the general problem of municipal financing.

A good deal used to be made of the point that local government expenditures were in large part a free choice of local people. In earlier times, when standards of public service were not very high and when, in any event, local citizens were left to fend pretty much for themselves, such viewpoint was reasonably sound. Today, while some of the provincial legislation in the field of local government is still permissive, we should not allow this fact to mislead us as to the real position. Actually, a good deal of the present spending of municipalities is obligatory under provincial statutes and most of the remainder is unavoidable in response to well-established and insistent public demands. Among the so-called optional responsibilities of municipalities, provincial governments are stepping in increasingly to enforce higher standards of service by means of conditional grants-in-aid. And, when it comes down to cases, every province in Canada expects its own municipalities to provide a wide range of services at an acceptable level of performance. In line with this objective, the province must surely see to it that municipalities have adequate and appropriate sources of funds.

In recent years, numerous briefs on provincial-municipal financing have drawn a distinction between services of benefit to property owners and others of benefit to persons. Possibly in some quarters this distinction on the basis of the purpose served by various local undertakings has been pressed too strongly. There is undoubtedly some benefit accruing to property owners in the existence of good schools, adequate welfare services and the like. The

lack of such services would certainly be damaging to the value of their properties. That the amount of expense thrown on the property owner for education represents a fair distribution of the tax load is more doubtful. At any rate, it does not at all correspond to the benefits, both direct and indirect, that the property owner receives in return.

It should be pointed out, similarly, that such services to property as fire and police protection are not always paid for according to the benefits received. Some of the best properties which contribute most in taxation, present the least fire hazard and embody the greatest security against theft or violence.

The property tax as it was first employed many years ago was a combined tax on real and personal holdings including under the latter category, furniture, fixtures and even intangible assets such as stocks and bonds. In the days of rough measure of ability to pay and property levies could isolated local communities, property holdings served as a rough measure of ability to pay and property levies could be looked upon as an "ability" tax, though not at progressive rates.

The real property tax as we know it now is an entirely different tax instrument. Actually it is a composite of two taxes. When imposed on properties in industrial or commercial use, it becomes an accepted part of the cost of doing business. The owner of such a property attempts to set prices at levels that will pass on this tax to the purchaser of his product or the user of his services. In the long run, the property tax in its application to business properties is probably diffused in its ultimate effect throughout the immediate community and even beyond.

For owner-occupants of residential properties, the real property tax is a direct imposition that the owner must meet himself. It gets at one element of his ability to pay taxes — the value of his home. In the long run, tenants are also taxed similarly because the landlord, in days when rent control or other limitations on the conditions of the market are not present, takes the tax into his calculations in fixing a suitable level of rent.

If it were the sole source of public taxation, the real property levy would be far from equitable. Even in combination with other taxes it is not entirely so. Moreover, it is comparatively less equitable by modern standards when its use is directed to the assistance of persons in the form of schooling, welfare assistance, health services, and so forth. For all these, governments and people have long since committed themselves in principle to the increasing development of high province-wide or national standards of service and the avoidance of undue tax hardship on particular local communities.

The unsuitability of the property tax is greatest when there are small or fragmentary municipal boundaries as in Calgary and Edmonton metropolitan areas today. The province of Alberta has given outstanding leadership in coping with this aspect of the problem of municipal financing through the creation of the large school divisions and municipal districts. And it is to be commended now for taking up the metropolitan problem in its two major cities.

If each local community was intended to fend for itself in the selection, development and financing of municipal and school services, the property tax might be used for a large proportion of municipal financing so long as local boundary lines were appropriately drawn. But the whole history of local government in Canada has followed an opposite course. Legislation has been greatly taken up with the setting of standards and has also made it very clear that the stronger communities financially must expect to help the weaker. One of the earliest such standards was the introduction over one hundred years ago of compulsory schooling as provincial law in what was then Upper Canada. Today, not only is schooling compulsory; the educational programme that must be provided is closely controlled including qualification of teachers, coverage of the curriculum, and even the quality of school construction. Education is not the only service for which such provincial standards have been set. The provinces impose on their municipalities minimum levels of health services, welfare assistance and the like.

The real property levy falls short of being an ideal local tax. Many people would like to see it displaced by other forms of taxation that would relieve the burden on the property owner and remove the inequities that result inevitably from its position as a major tax source. The difficulty, however, is to find other more suitable sources of local revenue.

In the United States a great variety of new local charges have been introduced in recent years. American municipalities, particularly urban municipalities, are imposing local income taxes, sales tax, special excise levies, poll taxes under fancy names, and a variety of other nuisance levies. None of them individually add very much to tax equity; and, in total, their effect is just the reverse. The local citizen gets some relief from the property tax burden but in return is bombarded by a host of small taxes some of which are paid indirectly and, therefore, not consciously felt. It would be possible to look at each of these marginal forms of taxation in turn and to put forward valid points of criticism about them. We should not have to go in every case to the United States for examples because the scramble for new revenue sources has been going on in our own country. The subject does not warrant detailed exploration, however, because the viewpoint of this report coincides with the stand taken in the Judge Report six years ago. The only possible new levy that might seem to offer any promise of improving the situation is the transfer of the amusement tax privilege to the local level. The introduction of local amusement taxes, however, always presents problems and particularly so in a province like Alberta where there are large rural areas and a considerable number of small urban communities.

Our conclusion must be that the real property tax has to continue in use as the major source of local-derived revenues and that it must increasingly be supplemented by grants or shared revenue payments from the province in step with the municipalities' growing responsibilities for services to persons and the changing requirements for other services in the light of new technological developments. In particular the place of the motor vehicle in our society has imposed highly expensive demands upon municipalities.

A major purpose of grants from the province is to recognize and meet the fiscal need of individual municipalities in relation to their responsibility to provide a diversity of local services. Conditional grants may be used to assist particular services. Such contributions can and should recognize the varying costs of services between rural and urban communities. Specific grants-in-aid such as the highways grants now paid to municipal districts can bear some relation

to the relative cost of the service between one municipality and another. Other grants like the school grants should, in addition, give particular help to those local authorities whose real property tax base is inadequate in relation to the cost of a decent level of service.

The development and maintenance of appropriate municipal boundaries is also an important prerequisite to the establishment of an equitable grants scheme. In particular, where there are a number of separate municipalities within a single metropolitan area, some way must be found to ensure that the distribution of grant monies does not favour one or more municipalities within the area at the expense of the remainder.

A province which is making a number of specific payments in support of particular services has then to weigh up the financial effect of all such grants before it can decide how much it should pay out in the form of an unconditional grant or provide as a shared revenue and how the unconditional grant should itself be distributed. The unconditional grant is commonly recognized as the means of taking care of fiscal need to the extent that specific grants-in-aid fail to do so. Compared with the shared revenue source, it has the obvious advantages that the income can be made more secure and that the total payable can be revised periodically in relation to actual changes in municipal requirements.

Our contention is that, in the interests of equitable municipal financing, the unconditional grant of today should be so drawn as to recognize a new requirement. When grants and payments in total were small, urban municipalities were expected to meet the higher cost of urban services such as the laying of pavements, the provision of street-lighting, the maintenance of a full-time fire department and so forth, by drawing on their relatively strong real property tax base in comparison with smaller urban communities and rural municipalities. When the stage is reached, however, that grants from the province reach perhaps one-third of the cost of local services (in England such payments meet over half the cost), the grant formula must recognize a new conception of fiscal need. The cities and the large towns have a more expensive job to perform and, if the province is a one-third partner in the enterprise, it must pay one-third of a more expensive than average bill or it is failing to pull its weight.

This relatively new point of view in regard to provincial grants was developed and applied in the State of New York some years ago under what became known as the Moore Plan. The Committee on Provincial-Municipal Relations in Ontario studied New York's approach and decided to recommend a similar scheme for its own province. Their advice was accepted and, at the legislative session in the spring of 1953, a new per capita grant was introduced which was graded in favour of the municipalities with the highest cost structure — the large urban municipalities. The Ontario Act provided for a scale of per capita payments ranging from \$4.00 for Metropolitan Toronto down to \$1.50 for the smallest urban municipalities. For the townships, the spread was from a top figure of \$2.25 to the same minimum of \$1.50. One particular point to note about the Ontario scheme is that the top rates set for townships were required to take account of townships that had become very largely urbanized without changing their official status to that of urban municipalities. By and large, the rural townships will receive between \$1.50 and \$1.75 per capita.

The amount of money to be distributed on the basis in recognition of the "sharing of cost of government" principle was relatively small. For 1954, which is the first year, it has been estimated that some \$12 million will be paid

out under the plan, of which almost \$5 million will go to the new Municipality of Metropolitan Toronto.

An earlier recommendation in our report was that Alberta's gasoline tax revenues, which now provide the funds for the municipal assistance grant, should be utilized instead as the source of the specific grants for roads. The money now being appropriated for road grants from general revenue — between eight and nine million dollars in this year's budget — together with some additional appropriation should be set up as a new municipal assistance grant with the total amount of the grant guaranteed by statute.

In considering the new grant, the first point to be covered is the size of the total grant that should be established. In a paper delivered at 1952 conference of the Institute of Public Administration, the author of the Royal Commission Report on Taxation, Mr. Judge, said at one point, "During the year in which the commission functioned, the discovery oil well at Leduc was brought in and had the commission known of the widespread oil discoveries which were to follow in succeeding years and which are still continuing to be found, it probably would have been more generous in its recommendations, especially in the amount of grants towards education." Under present conditions of provincial financing in Alberta, the trend of assistance to municipalities should quite obviously be steadily upwards. And, in fact, the record shows that this is the course that has been followed. The question with respect to the total size of payments is how quickly should increases come and how substantial should they be.

Looking at the provincial revenues under which the province obtained more than \$90 million in oil revenues during the last fiscal year, and knowing that by now Alberta has probably accumulated a like amount in net investment assets, it becomes very obvious that the province can afford to be generous indeed in its dealings with its own municipalities. Yet another point is that the improving revenue position appears in no danger of coming to an end. In the latest budget speech, the Premier said "If and when this project (the proposed Trans Canada Pipe Line) assures an adequate and economic market for Alberta's surplus residue gas, we may anticipate a programme of gas exploration development, processing and industrialization that may equal or exceed in magnitude and in beneficial results to people of this province the development of our vast oil resources currently taking place."

Between the years 1946-47 and 1953-54, the total of grant payments and shared expenditures turned to local authorities and provincially-administered districts jumped from \$5-1/3 million to \$33.7 million. There were, as already outlined, substantial increases in other ancillary benefits. Nevertheless, Alberta's changing picture must be assessed in relation to a changing position on grants in municipal jurisdictions everywhere. The same sort of development took place in England slightly earlier and it has been going on concurrently in the United States. About a year ago, the Province of Ontario released a statement on payments to municipalities, boards of education, local boards, public hospitals, etc., covering its fiscal years from 1943-44 to 1952-53. It showed that the total payments had jumped from \$20 million in the first year to \$125 million in the final year.

In considering the financial effect of prior recommendations, including the proposed increase in support for the hospital care programme, the net effect of the change in road grants in particular should not be overlooked. By

tying the new grants to gasoline revenues under a 50-50 sharing, the total made available may be expected to drop slightly below the latest budget appropriations for roads. Moreover, some part of the money would be going to urban centres so that the rurals would get somewhat less.

Considering the significance of all the above factors, it might appear that the only respect in which a recommendation might err would be in proposing too small a sum. No doubt the province could find \$25 million or perhaps even \$50 million for a general assistance grant. However, our appraisal is based upon the belief that municipalities are seeking recognition of their own growing needs rather than a cut of the fortuitous provincial revenues.

IT IS RECOMMENDED THAT A STATUTORY UNCONDITIONAL GRANT BE INTRODUCED IN PLACE OF THE PRESENT MUNICIPAL ASSISTANCE PAYMENTS AT A GUARANTEED MINIMUM OF NO LESS THAN \$15 MILLION.

Turning to the proposed distribution of the new grant, it is suggested, first of all, that population should serve as the starting point. In effecting the division of the funds between classes of municipalities, a graded per capita formula should be introduced similar to that employed in New York State and in Ontario. The classification should include several categories of urban and of rural municipalities by population groupings. In comparative terms, the total that would be given out as an unconditional grant in Alberta is very much larger than that now paid by Ontario. As a result, the warranted preferential scaling of payments could be accomplished by quite a modest grading of the per capita amounts.

The apportionment of the funds within classes of municipalities should continue to recognize and employ indicators of fiscal need such as are now used in the distribution of the rural portion of the present municipal assistance payments. A new formula should be set up for each class after a careful study of the main factors that determine their particular fiscal need. Fair conclusions on these points are not easily arrived at. It would be presumptuous, therefore, in a study of the present proportions to attempt to lay down the precise formulae that should be adopted.

In favoring the aforesaid approach, we are fully aware of the difficulties that may be encountered by attempting to devise too complex a weighting scheme for grant distribution. A fairly simple formula should be employed for the division between classes of municipalities and also for the apportionment within classes of municipalities. Experience with the new unconditional grants would no doubt suggest from time to time certain modifications that should be introduced for the purpose of keeping the payments as equitable as possible.

IT IS RECOMMENDED THAT DISTRIBUTION OF THE NEW UNCONDITIONAL GRANT BETWEEN DESIGNATED CLASSES OF MUNICIPALITIES BE ON A GRADED PER CAPITA BASIS, WEIGHTED MODERATELY IN FAVOUR OF THE MORE POPULOUS MUNICIPALITIES. IT IS FURTHER RECOMMENDED THAT FISCAL NEED INDICATORS BE EMPLOYED IN THE FORMULAE FOR APPORTIONMENT TO THE INDIVIDUAL MUNICIPALITIES IN EACH CATEGORY.

BORROWING ARRANGEMENTS

Another form of provincial help to municipalities and school authorities has come about through the establishment of a number of loan funds. Reference has already been made to the several funds that were set up, commencing

in 1950. Under the two school loans acts, school authorities borrowed just under \$2 million in interest free loans during the time that this arrangement was in effect. The succeeding fund, which was started in 1952, provided for interest payments at the rate of 3½ per cent. To the end of March this year 9.9 million had been advanced as interest bearing loans. Between April 1st and the end of September, something over \$4¼ million additional has been loaned. In other words, the two school funds have in total supplied in excess of \$16 million.

Loans under the Self-liquidating Projects Act came to an end as of March 31st of this year. Municipalities under this legislation had borrowed approximately \$22 million. The newer revolving fund, which is open to use for all types of municipal capital undertakings, supplied local authorities with \$25 million in the first year of operation, that is to March 31, 1954, while no less than \$23 million of further borrowing had taken place by the end of last August. Interest rates under the Capital Expenditure Loan Act run 2½ per cent for a five-year term, 2¾ per cent for a ten-year term and so on, up to 3¾ per cent for a twenty-five year term.

The government estimated last spring that municipalities were already being saved approximately \$2 million per annum in debt charges by the preferred interest rates on loans from the province. Presumably the comparison was with the high rates that have applied in recent times in the municipal debenture market rather than with the effective rates of interest on the province's own debt. Again from official sources, we learn that the average interest rate on the Province of Alberta's outstanding debt is only 2.78 per cent. In other words, the province is doing more by way of lending its name than by drawing on its purse. To say so assumes that the debt is sound and will be repaid. On that score, the province in its role of supervisor of municipal and school borrowing activities can exert full control. Another borrowing aid comes in the province's guarantee of interest payments on the present maximum 60 per cent of new school borrowing that may be financed in the open market.

In total, the borrowing arrangements worked out by the province provide local authorities with a mixed blessing. Certainly in the case of utility undertakings, the stated purpose has been to enable borrowing to take place which reliance on the regular sources of debenture floatation would have rendered impossible. Looking at the size of the obligations that have been contracted in the short space of 4½ years, one wonders whether municipal and school credit generally would have been strong enough to create anything like these obligations through commercial channels.

When the provincial budget presentation, in reviewing the aid which it has given to municipalities, combine grants and loans into a single total, the result is a mixture of another sort! There is not much doubt at least that the casual reader of recent budget speeches could be greatly misled by such a totalling. One might question also the inclusion in the combined total of what is termed indirect financial assistance.

The big problem from the municipalities point of view with respect to the borrowing legislation is how the money is going to be repaid without an increasing hardship on taxpayers. It is one thing to say that local authorities should not have taken on the obligation unless they were satisfied that repayment was well within their reach. But knowing both the province's financial resources and the large backlog of capital construction needs among muni-

cipalities, it would not be surprising if some local authorities have succumbed to the temptation to overexpend their borrowing operations. During the field interviews in preparation for this report, the suggestion was advanced, more than once that the government would have to FORGIVE some of the present high debt. While this would be an easy solution, it cannot conscientiously be recommended. There are, however, several steps that might be taken to ensure that the debt situation does not become unduly difficult.

In the case of utility debt, there is an anticipated source of funds for repayment through the utility rates charged for the new or extended services. The debt charges on other obligations, however, must be covered from real property taxation, including local improvement and similar levies. This difference in the prospective sources of debt charge funds has been taken into account in developing the recommendations which follow.

IT IS RECOMMENDED THAT ALL LOANS FOR REVENUE-EARNING UTILITY PROJECTS WHETHER UNDER THE SELF-LIQUIDATING PROJECTS ACT OR THE MUNICIPAL CAPITAL EXPENDITURES LOAN ACT SHOULD BE MADE INTEREST FREE.

THE IMMEDIATE EFFECT OF THE GRANTS PROPOSALS

The development of recommendations for changes in the grant structure in Alberta has had two major objectives in mind. First, it is considered important to provide new sources of municipal, school and hospital revenues through changes in grants which hold down the pressure on the real property tax base as an instrument of local government financing. Secondly, the changes are intended to provide a more logical basis for inter-governmental payments than applies in some cases under present legislation and regulations. The second objective is certainly, in our opinion, just as important as the first. What is more, the recommendations as to the form grants should take are based on what we believe to be well-established and sound principles whereas the size of grant payments that should be forthcoming is to an extent a matter of opinion.

The Institute believes that all the changes recommended are practical and that the proposed increases are realistic in relation to the inter-governmental arrangements that now exist. It should be recognized, however, that the level of total grant payments has been changing and will probably continue to change further even if the present recommendations are fully implemented by the government.

It may be helpful to close this report with a rough estimate of the financial effect of the adoption of all the foregoing recommendations. According to our calculations, the annual transfers from the province might be increased by a minimum of just under \$15 million and perhaps as much as \$16 to \$17 million. Included in this total is a figure of \$4 million covering the likely increase in indirect aid which would be secured by stepping up the per diem hospital grants. On the other hand, the suggested total excludes the direct benefits to be obtained through new municipal borrowing arrangements and the adjustments with respect to loans already incurred since neither of these benefits can be calculated in terms of a repeating annual payment.

The following figures on which the above totals are based should be recognized as rough estimates only. Within the scope of the present enquiry, it has not been possible to develop detailed and precise estimates of the financial benefits arising out of the recommendations.

In 1952-53 payments to municipal and school authorities by way of shared revenues on leased lands amounted to some \$480,000. It was suggested to the Institute that, if local authorities were permitted to tax the lessees directly, a continuation of present rates of taxation would return more to the municipal and school treasuries than is now being received as a shared revenue. A nominal amount of \$100,000 has been set down in this calculation of financial benefits.

The new basis of highways grants in the gasoline revenues would provide a total fund of a little over \$8.5 million to draw upon using the funds available for distribution in 1953-54. The increase in the total grants might therefore be between \$400,000 and \$500,000 in comparison with the sums likely to be spent in 1953-54.

Mothers' allowance contributions from municipalities amounted to \$188,000 in the last fiscal year and the saving has been estimated at that minimum figure. The change in standard rates for support of patients in homes for the aged and infirm might increase assistance to municipalities by perhaps some \$50,000 to \$75,000. This figure, we believe, represents a conservative estimate. The new 80-20 basis proposed for other indigent welfare operations would save municipalities just half of their present level of spending. The total benefit might run between \$500,000 and \$750,000. The Institute has been even more concerned with cutting down the threat of a much heavier burden in the event that unemployment should develop at some time in the future.

Precise information has not been secured on the total amount that the cities of Edmonton and Calgary might gain by the removal of their responsibility for children of unmarried parents. A benefit of \$10,000 has been assumed. On the other hand, these two cities would lose \$61,500 if the payments in lieu of service tax were dropped.

The effect of obtaining full payments in lieu of taxes on provincial crown properties has not been calculated and complete up to date figures on the assessment value of such properties in each municipality are probably not available. It is suggested, therefore, that an arbitrary amount of \$200,000 might be used as an indication of the possible increase in municipal revenues from this source.

One result of the free inclusion of all tenants under the hospital care plan would be that participating municipalities would have to raise an increased amount from taxation to cover their share of the total cost of the scheme. At the same time, the province would have to step up its contributions inasmuch as many tenants have failed to take out contracts. That being so, the municipalities would obtain more in total from provincial funds. The increased contribution might run to \$500,000.

If the province accepts the proposal of a substantial increase in per diem hospital payments, the new basis of payment might average out at \$3.00 per patient day. Using that figure we obtain an increase in the monies distributed of some \$4.2 million. Further adjustments in the hospital care plan category rates and the application of these rates to other provincial programmes and to a revision in the per diem grants on behalf of all hospital patients would no doubt step up the provincial assistance to the hospital services after the necessary interval of a couple of years.

As indicated previously, increases in grants to school authorities might amount to between one to two million dollars for current purposes and half a million dollars for capital purposes.

The amount of special aid given to school authorities on the basis of faster than average increases in pupil enrollment is estimated for the year 1954-55 at \$410,000. It would seem quite reasonable that the special aid given to municipalities that are experiencing particularly rapid growth in support of general municipal and hospital services might reasonably be set at about twice the school grant figure. Consequently, an amount of some \$800,000 has been set down as our estimate of the resulting benefit, which we believe could be introduced in the coming year.

The new unconditional grants would yield a minimum total of \$15 million. This compares with an estimated distribution from the gasoline tax revenue in the present fiscal year of a little over \$8½ million. In other words, the net increase in aid would amount to almost \$6.5 million. If the gasoline tax revenues continue to rise, the municipalities will benefit from such increases under the new plan through corresponding additions to the financial support for roads.

The adoption of interest free loans on utility borrowing might save local authorities some \$400,000 or better. Whether or not the benefit would continue at such a level depends on the extent of future borrowing for this purpose.

In line with our recommendations other municipal borrowings under the Municipal Capital Expenditures Loan Act should qualify for a 10 per cent rebate on loans already incurred and a corresponding financial contribution to reduce the total of future loans. On this basis, the municipalities had earned perhaps \$4 millions to the end of August 1954, and they would earn additional financial aid whose amount cannot be forecast accurately.

The review of local government financing in Alberta has revealed a number of problems, some of quite serious proportions, others of much less significance. In our judgment the four points of most concern have been:

1. The inadequate level of grant support for local school operations.
2. The inequitable and heavy burden on local authorities resulting from the hospital care plan and other hospitalization programmes,
3. The rapid increase in debenture indebtedness of local authorities at a time when the province's own debt burden has been more than offset by cash and liquid investments, and
4. The load the property taxpayer is being expected to carry in relation to changing nature of municipal service responsibilities.

While the problem of current financing of school operations has been a serious one, changes in the provincial grant structure have been reducing its proportions and therefore the strongest recommendations have been directed to the improvement of the hospital situation, to the reduction of the borrowing problem and to the development of an improved unconditional grant designed to lessen the financial pressure on the real property taxpayer.

Table 1
COMPARATIVE PROVINCIAL REVENUES
Year Ending March 31
(Amounts in Thousands of Dollars)

	1946-47		1947-48		1948-49		1949-50		1950-51		1951-52	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
ALBERTA												
Total Gross General Revenue	43,241	53.85	54,765	66.38	71,520	83.75	99,058	111.93	119,049	130.39	119,888	127.68
Natural Resource Revenue	3,244	4.04	4,383	5.31	16,508	19.33	37,666	42.56	49,138	53.82	45,063	47.99
Other Gross General Revenue	39,997	49.81	50,382	61.07	55,012	64.42	61,392	69.37	69,911	76.57	74,825	79.69
BRITISH COLUMBIA												
Total Gross General Revenue	65,401	65.21	81,672	78.23	119,690	110.62	145,090	130.36	159,147	139.97	177,679	152.51
Natural Resources Revenue	4,331	4.32	4,773	4.57	5,006	4.63	6,687	6.01	6,440	5.66	7,857	6.74
Other Gross General Revenue	61,070	60.89	76,899	73.66	114,684	105.99	138,403	124.35	152,707	134.31	169,822	145.77
SASKATCHEWAN												
Total Gross Revenue	45,206	54.27	61,907	74.05	66,382	79.21	73,825	88.73	79,739	95.73	87,031	104.60
Natural Resources Revenue	2,205	2.65	2,557	3.06	2,865	3.42	3,295	3.96	3,359	4.03	4,889	5.88
Other Gross General Revenue	43,001	51.62	59,350	70.99	63,517	75.80	70,530	84.77	76,380	91.69	82,142	98.73
MANITOBA												
Total Gross General Revenue	28,748	39.54	41,508	56.17	44,258	59.33	48,949	64.66	65,778	85.65	57,988	74.73
Natural Resources Revenue	1,499	2.06	1,666	2.25	2,164	2.90	2,010	2.66	2,443	3.18	2,864	3.69
Other Gross General Revenue	27,249	37.48	39,842	53.91	42,094	56.43	46,939	62.01	63,335	82.47	55,124	71.04
ONTARIO												
Total Gross General Revenue	181,391	44.32	255,876	61.27	255,230	59.70	281,453	64.29	321,381	71.88	359,628	78.21
Natural Resources Revenue	10,134	2.48	10,291	2.46	11,251	2.63	13,532	3.09	15,393	3.44	20,039	4.36
Other Gross General Revenue	171,257	41.84	245,585	58.81	243,979	57.07	267,921	61.20	305,988	68.44	339,589	73.86

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Provincial Governments, 1946-1951.

Table 2
PROVINCE OF ALBERTA — INCOME ACCOUNT REVENUE
Year Ending March 31
(Amounts in Thousands of Dollars)

	1946-47		1947-48		1948-49		1949-50		1950-51		1951-52		1952-53		1953-54	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
TAX REVENUES																
Real & Personal Property	1,493	1.86	417	.51	461	.54	788	.89	758	.83	997	1.06	1,037	1.07	1,061	1.06
Sales, Excises, etc.																
—Amusement Tax	339	.42	373	.45	441	.52	645	.73	695	.91	801	.85	938	.97	1,057	1.05
—Pari-Mutuel Tax	95	.12	93	.11	113	.13	129	.15	140	.15	156	.17	297	.34	341	.34
—Fur Tax	106	.13	90	.11	123	.14	117	.13	97	.11	91	.10	87	.09	91	.09
Sub-Total Sales, etc.	(540)	.67	(556)	.67	(677)	.79	(891)	1.01	(932)	1.02	(1,048)	1.12	(1,322)	1.36	(1,489)	1.49
Liquor Profits, Licenses, etc.	9,718	12.10	9,943	12.05	11,047	12.94	11,971	13.53	12,069	13.22	12,830	13.66	14,196	14.64	14,493	14.46
Gasoline & Motor Vehicles																
—Gasoline & Fuel Oil Tax	5,404	6.73	7,658	9.28	8,578	10.04	10,365	11.71	11,609	12.72	12,766	13.60	15,379	15.85	17,315	17.28
—Mileage Tax	140	.17	125	.15	134	.16	146	.16	159	.17	154	.16	162	.17	149	.15
—License	3,550	4.42	4,121	5.00	4,776	5.59	5,597	6.32	6,384	6.99	6,473	6.89	7,502	7.73	8,507	8.49
Sub-Total Gasoline, Etc.	(9,094)	11.33	(11,904)	14.43	(13,488)	15.79	(16,108)	18.20	(18,152)	19.88	(19,393)	20.65	(23,043)	23.76	(25,971)	25.92
Shared Tax Contribution	.....	.....	.....	.....	.....	.....	425	.48	767	.84	793	.84	991	1.02	1,396	1.39
Other	886	1.10	655	.79	163	.19	105	.12	108	.12	36	.04	37	.04	17	.02
Total	21,731	27.06	23,475	28.45	25,836	30.25	30,288	34.22	32,786	35.91	35,097	37.38	40,626	41.88	44,427	44.34
NATURAL RESOURCES REVENUES																
Petroleum and Natural Gas	809	1.01	1,473	1.79	12,490	14.63	32,370	36.58	41,915	45.91	36,773	39.16	50,363	51.92	90,040	89.86
Other	3,055	3.80	3,594	4.36	4,703	5.51	5,582	6.31	7,578	8.30	8,593	9.15	13,352	13.76	12,603	12.58
Total	3,864	4.81	5,067	6.14	17,193	20.13	37,952	42.88	49,493	54.21	45,366	48.31	63,715	65.69	102,643	102.44
GOVERNMENT OF CANADA																
Tax Rental Agreements	5,786 (1)	7.21	13,161 (1)	15.95	14,024	16.42	15,276	17.26	17,343	19.00	19,106	20.35	32,322	33.32	29,803	29.74
Statutory Subsidies	1,795	2.24	2,242	2.72	2,018	2.36	2,086	2.36	2,063	2.26	2,127	2.27	2,127	2.19	2,127	2.12
Grants—In-Aid & Like Contributions	2,961	3.69	3,694	4.48	4,565	5.35	6,426	7.26	7,803	8.55	8,336	8.88	3,845	3.96	4,136	4.13
Total	10,542	13.13	19,097	23.15	20,607	24.13	23,788	26.88	27,209	29.80	29,569	31.49	38,294	39.48	36,066	35.99
Licenses, Fees, Fines, Penalties	2,976	3.71	3,284	3.98	3,993	3.97	3,733	4.22	4,049	4.43	4,572	4.87	5,302	5.47	5,912	5.90
Miscellaneous Revenues	90	.11	140	.17	93	.11	156	.18	166	.18	215	.23	217	.22	286	.29
Refunds of Expenditures	1,549	1.93	1,332	1.61	1,538	1.80	1,450	1.64	1,594	1.75	1,766	1.88	1,807	1.86	1,964	1.96
Revenue Producing Assets	1,837	2.29	1,785	2.16	1,786	2.09	2,186	2.47	2,887	3.16	3,341	3.56	3,842	3.96	4,675	4.67
Public Service Pension Contributions	.....	.....	.....	.....	1,500	1.76	1,322	1.49	1,393	1.53	899	.96	941	.97	11,070	1.07
Grand Total	42,589	53.04	54,180	65.67	71,946	84.25	100,875	113.98	119,577	130.97	120,825	128.67	154,744	159.53	197,043	196.65

(1) Includes all grants under wartime tax suspension agreement.

SOURCE: Province of Alberta Public Accounts, 1947-1953.

Table 3
COMPARATIVE MUNICIPAL REVENUES — LOCALLY DERIVED ONLY
Year Ending December 31
(Amounts in Thousands of Dollars)

	Municipal			Taxation			Total			Licenses and Permits			Debt Charges Recoverable			Public Utility & Institutional Services (Surpluses)			Other Revenue			Total Revenue		
	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita	Amount	Per Capita	Per Capita
1946	Alberta	12,626	17.88	11,691	16.55	34.43	24,317	34.43	352	.50	1,255	1.78	2,241	3.17	2,186	3.10	30,351	42.97				30,351	42.97	
	B.C.	15,577	19.22	9,377	11.57	30.79	24,954	30.79	1,826	2.25	1,876	2.32	1,661	2.05	1,964	2.42	32,281	39.84				32,281	39.84	
	Sask.	11,684	15.13	12,236	15.84	33.97	23,920	33.97	454	5.88	443	.57	2,595	3.36	2,711	3.54	30,123	39.00				30,123	39.00	
	Manitoba	12,764	19.55	8,978	13.78	33.33	21,712	33.33	396	.61	1,021	1.57	1,043	1.60	2,186	3.36	26,358	40.46				26,358	40.46	
	Ontario	80,494	21.79	37,125	10.05	31.84	117,619	31.84	(1)	....	8,238	2.23	2,028	.55	14,990	3.89	142,275	38.51				142,275	38.51	
1947	Alberta	15,249	22.77	13,290	19.85	42.61	28,539	42.61	351	.52	1,309	1.95	2,145	3.20	2,257	3.37	34,601	51.67				34,601	51.67	
	B.C.	17,871	20.64	11,014	12.72	33.36	28,885	33.36	2,102	2.43	1,579	1.82	1,698	1.96	3,072	3.55	37,336	43.11				37,336	43.11	
	Sask.	13,003	16.61	13,472	17.21	33.82	26,475	33.82	519	.66	495	.63	3,050	3.90	2,669	3.41	33,208	42.42				33,208	42.42	
	Manitoba	14,379	21.71	8,534(2)	12.89	34.60	22,913	34.60	430	.65	1,338	2.02	1,198	1.81	2,575	3.89	28,454	42.96				28,454	42.96	
	Ontario	90,794	23.56	44,608(2)	11.57	35.13	135,402	35.13	1,770	.46	8,245	2.19	3,613	.94	10,175	2.64	159,205	41.30				159,205	41.30	
1948	Alberta	17,676	24.67	15,548	21.70	46.36	33,224	46.36	412	.57	1,453	2.03	2,273	3.17	2,279	3.18	39,641	55.32				39,641	55.32	
	B.C.	19,427	21.06	12,142	13.16	34.22	31,569	34.22	3,488	3.78	1,584	1.72	1,960	2.12	3,707	4.02	42,308	45.87				42,308	45.87	
	Sask.	15,511	19.44	15,257	19.12	38.56	30,768	38.56	510	.64	413	.52	2,959	3.71	2,754	3.45	37,404	46.88				37,404	46.88	
	Manitoba	17,297	25.90	9,857(2)	14.76	40.66	27,154	40.66	464	.69	1,503	2.25	1,882	2.82	2,645	3.96	33,648	50.38				33,648	50.38	
	Ontario	98,587	24.99	51,554	13.07	38.06	150,141	38.06	2,276	.58	7,416	1.88	2,946	.75	13,180	3.34	175,959	44.61				175,959	44.61	
1949	Alberta	20,609	27.29	17,734	23.49	50.78	38,343	50.78	485	.64	1,777	2.35	2,442	3.23	3,148	4.17	46,195	61.18				46,195	61.18	
	B.C.	19,937	20.88	15,999	16.76	37.64	35,936	37.64	2,637	2.76	2,015	2.11	1,732	1.81	3,939	4.13	46,259	48.46				46,259	48.46	
	Sask.	17,143	21.48	17,059	21.37	42.85	34,202	42.85	547	.69	445	.56	2,310	2.89	3,124	3.91	40,628	50.90				40,628	50.90	
	Manitoba	18,966	27.98	11,458(2)	16.90	44.89	30,424	44.89	503	.74	1,626	2.40	1,806	2.66	3,039	4.48	37,398	55.18				37,398	55.18	
	Ontario	110,169	26.98	60,210	14.75	41.73	170,379	41.73	2,669	.65	8,343	2.04	3,439	.84	13,476	3.30	198,306	48.57				198,306	48.57	
1950	Alberta	22,613	27.34	19,639	23.75	51.09	42,252	51.09	576	.70	2,214	2.68	2,446	2.96	3,429	4.15	50,917	61.57				50,917	61.57	
	B.C.	21,102	21.21	17,857	17.95	39.16	38,959	39.16	2,497	2.51	2,040	2.05	1,622	1.63	4,602	4.63	49,720	49.97				49,720	49.97	
	Sask.	18,270	22.19	17,945	21.80	43.99	36,275	43.99	655	.80	588	.71	2,330	2.83	3,369	4.09	43,157	52.42				43,157	52.42	
	Manitoba	20,211	29.29	12,447(2)	18.04	47.32	32,658	47.32	582	.84	1,548	2.24	1,887	2.73	3,113	4.51	39,788	57.65				39,788	57.65	
	Ontario	121,283	28.86	67,677	16.10	44.96	188,960	44.96	3,104	.74	9,787	2.33	3,365	.80	13,453	3.20	218,669	52.03				218,669	52.03	
1951	Alberta	24,231	29.86	21,834	26.91	56.77	46,065	56.77	565	.70	2,645	3.26	2,544	3.14	3,753	4.63	55,572	68.49				55,572	68.49	
	B.C.	21,910	24.18	21,281	23.49	47.67	43,191	47.67	2,390	2.64	2,114	2.33	1,773	1.96	4,857	5.36	54,325	59.95				54,325	59.95	
	Sask.	20,104	25.81	19,488	25.02	50.83	39,592	50.83	662	.85	774	.99	2,479	3.18	3,170	4.07	46,677	59.93				46,677	59.93	
	Manitoba	22,415	31.46	14,001(2)	19.65	51.11	36,416	51.11	688	.97	1,759	2.47	1,836	2.58	2,173	3.05	42,872	60.18				42,872	60.18	
	Ontario	143,084	32.02	85,836	19.21	51.23	228,920	51.23	3,579	.80	11,371	2.54	3,220	.72	10,507	2.35	257,597	57.64				257,597	57.64	
1952	Alberta	28,014	33.43	25,065	29.91	63.33	53,079	63.33	673	.80	2,771	3.31	2,816	3.36	4,516	5.39	63,855	76.19				63,855	76.19	
	B.C.	23,189	24.55	25,388	26.87	51.42	48,577	51.42	2,748	2.91	3,436	3.64	1,950	2.06	5,115	5.41	61,826	65.44				61,826	65.44	
	Sask.	21,580	27.15	21,487	27.03	54.18	43,067	54.18	758	.95	871	1.10	2,827	3.56	3,659	4.60	51,182	64.39				51,182	64.39	
	Manitoba	23,756	32.46	15,524(2)	21.21	53.68	39,280	53.68	750	1.02	2,641	3.61	1,536	2.10	2,991	3.27	46,598	63.68				46,598	63.68	
	Ontario	162,556	36.20	100,641	22.41	58.62	263,197	58.62	3,939	.88	11,420	2.54	3,540	.79	12,449	2.77	294,545	65.60				294,545	65.60	

(1) Breakdown not available; included in "other revenue".
(2) Excludes School Board levies in unorganized areas.

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Municipal Governments, 1946-1952.

Table 4A
COMPARATIVE PROVINCIAL PAYMENTS TO LOCAL GOVERNMENTS
Year Ending March 31
(Amounts in Thousands of Dollars)

	General Amount	Subsidies Per Capita	Shared Revenue Contrib'ns. Amount	Shared Revenue Contrib'ns. Per Capita	Grants-In-Aid & Shared Cost Contributions Amount	Grants-In-Aid & Shared Cost Contributions Per Capita	Less Payments Municipalities To Province (2)	Amount	Net Total Per Capita
1946-47									
Alberta	.....	.....	63	.08	3,758	4.68	483	3,338	4.16
British Columbia	.....	.....	1,233	1.23	7,152	7.13	8	8,377	8.35
Saskatchewan	.....	.....	.....	.....	3,963	4.76	.....	3,963	4.76
Manitoba	.....	.....	12	.02	2,795	3.84	973	1,834	2.52
Ontario	3,270	.80	10	.00	35,270	8.62	.....	38,550	9.42
1947-48									
Alberta	.....	.....	68	.08	5,428	6.58	499	4,997	6.06
British Columbia	.....	.....	1,529	1.46	12,175	11.66	68	13,636	13.06
Saskatchewan	.....	.....	.....	.....	5,804	6.94	.....	5,804	6.94
Manitoba	.....	.....	12	.02	5,144	6.96	1,005	4,151	5.62
Ontario	3,429	.82	9	.00	48,737	11.67	.....	52,175	12.49
1948-48									
Alberta	.....	.....	71	.08	9,201	10.77	583	8,689	10.17
British Columbia	.....	.....	6,364	5.88	13,347	12.34	87	19,624	18.14
Saskatchewan	.....	.....	.....	.....	8,831	10.54	.....	8,831	10.54
Manitoba	.....	.....	14	.02	5,738	7.69	1,474	4,278	5.73
Ontario	3,625	.85	210	.05	56,117	13.13	.....	59,952	14.02
1949-50									
Alberta	117	.13	90	.10	11,765	13.29	556	11,416	12.90
British Columbia	.....	.....	9,962	8.95	18,556	16.67	1,498	27,020	24.28
Saskatchewan	7	.01	.....	.....	8,186	9.84	.....	8,193	9.85
Manitoba	.....	.....	14	.02	6,240	8.24	708	5,546	7.33
Ontario	858	.20	1,013	.23	69,276	15.82	300	70,847	16.18
1950-51									
Alberta	120	.13	83	.09	14,507	15.89	149	14,561	15.95
British Columbia	.....	.....	11,662	10.26	21,304	18.74	1,298	31,668	27.85
Saskatchewan	.....	.....	.....	.....	9,078	10.90	25	9,053	10.87
Manitoba	.....	.....	.....	.....	6,345	8.26	705	5,640	7.34
Ontario	701	.16	1,027	.23	76,642	17.14	449	77,921	17.43
1951-52									
Alberta	137	.15	4,756	5.06	14,336	15.27	174	19,055	20.29
British Columbia	13(1)	.01	12,543	10.85	22,743	19.52	1,275	34,124	29.29
Saskatchewan	.....	.....	.....	.....	9,243	11.11	148	9,095	10.93
Manitoba	.....	.....	.....	.....	6,670	8.60	943	5,727	7.38
Ontario	750	.16	1,050	.23	84,848	18.45	514	86,134	18.73

(1) Reimbursement of taxes to newly-incorporated municipalities.

(2) Not including reimbursements of expenditures for services supplied under contract and payments from areas administered by the Province.

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Provincial Government, 1946-1951.

Table 4B
Comparative Payments to Local Governments
BREAKDOWN OF GRANTS—IN—AID AND SHARED COST CONTRIBUTIONS
Year Ending March 31
(Amounts in Thousands of Dollars)

	Highways Roads & Bridges	HEALTH	SOCIAL WELFARE			Education	Other (1)	Total	Per Capita
		Public Health	Hospital Care	Aid to Unemployed	Child Welfare	Homes for the Aged			
1946-47									
Alberta	.....	.....	.....	49	.....	.....	9	3,758	4.68
British Columbia	46	373	3	1,059	.....	.....	62	7,152	7.13
Saskatchewan	.....	71	.....	.....	.....	.....	13	3,963	4.76
Manitoba	932	.....	.....	.....	.....	.....	40	2,795	3.84
Ontario	9,290	397	208	1,489	85	.....	228	35,270	8.62
1947-48									
Alberta	.....	.....	.....	66	.....	.....	103	5,428	6.58
British Columbia	110	.....	.....	2,680	.....	.....	266	12,175	11.66
Saskatchewan	.....	116	239	.....	.....	.....	440	5,804	6.94
Manitoba	1,444	.....	.....	.....	.....	.....	123	5,144	6.96
Ontario	14,835	609	403	1,807	151	.....	152	48,737	11.67
1948-49									
Alberta	853	.....	.....	93	.....	.....	135	9,201	10.77
British Columbia	60	.....	219	.....	.....	.....	579	13,347	12.34
Saskatchewan	560	174	1	.....	.....	.....	1,786	8,835	10.54
Manitoba	1,682	.....	.....	.....	.....	.....	409	5,811	7.79
Ontario	16,786	674	975	2,212	152	.....	198	56,191	13.14
1949-50									
Alberta	2,897	.....	868	490	.....	.....	7	11,765	13.29
British Columbia	112	115	919	.....	17	5	26	18,556	16.67
Saskatchewan	225	43	832	694	.....	.....	104	8,186	9.84
Manitoba	1,690	9	.....	246	45	.....	89	6,240	8.24
Ontario	20,143	731	2,799	2,397	744	465	3,865	69,276	15.82
1950-51									
Alberta	3,711	115	1,492	719	.....	.....	14	14,507	15.89
British Columbia	99	116	8	2,083	6	.....	111	21,304	18.74
Saskatchewan	376	157	392	667	.....	.....	51	9,078	10.90
Manitoba	1,490	9	154(2)	251	40	.....	102	6,345	8.26
Ontario	20,613	924	2,700	2,362	980	1,038	4,950	76,642	17.14
1951-52									
Alberta	2,278	36	270	656	.....	179	15	14,336	15.27
British Columbia	66	132	.....	2,243	318	.....	....	22,743	19.52
Saskatchewan	472	205	.....	796	1	.....	378	9,243	11.11
Manitoba	1,394	9	.....	291	.....	.....	142	6,670	8.60
Ontario	24,464	972	.....	2,712	1,104	2,238	5,004	84,848	18.45

(1) Includes general government, protection to persons and property, lands: settlement and agriculture, recreational and cultural services, and miscellaneous other grants.

(2) Represent only amounts paid to local hospitals from the federal hospital construction grant.

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Provincial Governments, 1946-1951.

Table 5A

COMPARATIVE PROVINCIAL EXPENDITURES

Showing Selected Services of Particular Relevance to Local Governments

Combined Current and Capital Exclusive of Debt Retirement (1)

Year Ending March 31

(Thousands of Dollars)

	Hospital Care	Other Health Services	Unemployment Aid	Other Welfare Services	Schools Operated by Local Authorities	Other Educational Services	Highways Roads and Bridges	Housing (2)	Local Government Planning & Development	Contributions To Local Governments (4)	Unclassified Expenditures	Total
1946-47												
Alberta	3,663	664	214	5,676	4,146	1,679	7,654		218	63	13,244	37,221
B.C.	6,259	1,413	1,712	8,473	7,080	3,824	10,916		18	1,233	20,333	61,261
Sask.	5,847	1,905	1,685	6,438	4,421	2,573	6,158		142		13,633	42,802
Manitoba	2,354	624	157	4,319	2,487	1,506	3,896		68	12	8,861	24,284
Ontario	10,375	6,376	1,569	26,381	25,040	14,534	45,327		127	3,280 (3)	53,979	186,988
1947-48												
Alberta	4,441	1,375	273	6,869	5,764	2,028	14,010		175	68	14,554	49,557
B.C.	9,351	2,217	4,879	11,790	9,663	4,716	21,528		234	1,529	23,140	89,047
Sask.	12,071	2,325	1,739	8,073	5,574	3,030	8,793		127		19,011	60,743
Manitoba	2,810	886	253	6,083	3,766	2,075	7,322		88	12	9,310	32,605
Ontario	18,322	3,919	2,583	29,888	32,443	16,022	61,971		130	3,438 (3)	62,340	231,056
1948-49												
Alberta	6,372	1,989	333	8,380	8,649	3,838	17,748		166	71	16,315	63,861
B.C.	14,469	3,027		18,155	13,558	5,064	22,024		300	6,364	37,544	120,505
Sask.	11,357	2,888		10,660	7,137	3,283	9,458		451		19,440	64,674
Manitoba	3,744	1,327	266	6,881	3,932	2,327	10,985		78	14	11,397	40,951
Ontario	25,710	5,918	2,302	36,360	36,754	14,296	67,761		169	3,625 (3)	77,486	270,381
1949-50												
Alberta	10,161	1,867	767	10,673	8,092	3,826	16,748		516	207	15,922	68,779
B.C.	32,245	3,578	4,111	19,619	18,011	5,055	38,209		60	9,962	40,910	171,760
Sask.	16,328	2,957	1,097	11,270	6,904	3,345	9,103		462	7	18,749	70,222
Manitoba	5,213	1,165	576	9,080	4,521	2,946	10,568		82	14	11,681	45,846
Ontario	33,792	6,299	2,470	47,824	39,920	13,725	72,114		228	1,871	88,892	307,135
1950-51												
Alberta	11,366	3,361	862	11,965	11,564	4,751	22,136	4	285	203	20,327	86,824
B.C.	30,312	4,138	4,626	21,305	19,709	6,615	27,164	199	77	11,662	35,315	161,122
Sask.	19,015	3,714	1,017	12,011	8,126	2,931	10,055	113	457		17,580	75,019
Manitoba	5,352	1,379	633	9,763	4,694	2,273	8,208	6	93		27,121	59,522
Ontario	36,221	7,620	2,774	51,712	44,862	15,177	85,279	602	300	1,728	88,327	334,602
1951-52												
Alberta	11,915	3,695	918	10,816	11,679	4,448	25,160	14	425	4,893	22,139	96,102
B.C.	35,873	4,619	5,264	19,622	21,214	5,342	26,380	431	77	12,656	41,349	172,827
Sask.	23,734	4,292	1,198	10,806	8,141	2,599	12,968	37	468		19,792	84,035
Manitoba	5,307	1,627	659	8,252	5,232	2,732	12,187	1	103		18,540	54,640
Ontario	47,221	8,805	3,118	46,037	50,234	20,505	107,551	510	586	1,800	104,236	390,603

(1) The purpose of this table is to show the total amounts of Provincial spending in each year regardless of the way in which the expenditure is financed. Interest payments on borrowed funds are included since they are an additional burden on the taxpayer. Payments toward debt retirement are excluded because the capital expenditures which they represent have appeared as expenditure items in the year in which the capital expenditure actually occurred.

(2) Segregation of housing expenditures not available for the years 1946-47 to 1949-50.

(3) Includes one mill subsidy to cities, towns, townships and villages.

(4) Shared revenue contributions, subsidies and miscellaneous payments which are not directed to particular services.

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Provincial Governments, 1946-1951.

Table 5B
COMPARATIVE PROVINCIAL EXPENDITURES
Showing Selected Services of Particular Relevance to Local Governments
Combined Current and Capital Exclusive of Debt Retirement (1)
Year Ending March 31
(Per Capita)

		Hospital Care	Other Health Services	Unemploy- ment Aid	Other Welfare Services	Schools Operated by Local Authorities	Other Educational Services	Highways Roads & Bridges	Housing (2)	Local Government			Total
										Planning and Development	Contributions To Local Governments	Unclassified Expenditures	
1946-47	Alberta	4.56	.83	.27	7.07	5.16	2.09	9.53		.27	.08	16.49	46.35
	B.C.	6.24	1.41	1.71	8.45	7.06	3.81	10.88		.02	1.23	20.27	61.08
	Sask.	7.02	2.29	2.02	7.73	5.31	3.09	7.99		.17	.....	16.37	51.38
	Manitoba	3.24	.86	.22	5.94	3.42	2.07	5.36		.09	.02	12.19	33.40
	Ontario	2.53	1.56	.38	6.45	6.12	3.55	11.07		.03	.80(3)	13.19	45.68
1947-48	Alberta	5.38	16.7	.33	8.33	6.99	2.46	16.98		.21	.08	17.64	60.07
	B.C.	8.96	2.12	4.67	11.29	9.26	4.52	20.62		.22	1.46	22.16	85.29
	Sask.	14.44	2.78	2.08	9.66	6.67	3.62	10.52		.15	.....	22.74	72.66
	Manitoba	3.80	1.20	.34	8.23	5.10	2.81	9.91		.12	.91	12.60	44.10
	Ontario	4.39	.94	.62	7.16	7.77	3.84	14.84		.03	.82(3)	14.93	55.33
1948-49	Alberta	7.46	2.33	.39	9.81	10.13	4.49	20.78		.19	.08	19.10	74.78
	B.C.	13.37	2.80	.....	16.78	12.53	4.88	20.35		.28	5.88	34.70	59.77
	Sask.	13.55	3.45	.....	12.72	8.52	3.92	11.29		.54	.....	23.20	77.18
	Manitoba	5.02	1.78	.36	9.22	5.27	3.12	14.73		.10	.02	15.28	54.89
	Ontario	6.01	1.38	.54	8.51	8.60	3.34	15.85		.04	.85(3)	18.13	63.25
1949-50	Alberta	11.48	2.11	.87	12.06	9.14	4.32	18.92		.58	.23	17.99	77.72
	B.C.	29.00	3.21	3.69	17.63	16.18	4.54	34.33		.05	8.95	36.76	154.32
	Sask.	19.63	3.55	1.32	13.55	8.30	4.02	10.94		.56	.01	22.53	84.40
	Manitoba	6.89	1.54	.78	11.99	5.97	3.89	13.96		.11	.02	15.43	60.56
	Ontario	7.72	1.44	.56	10.92	9.12	3.13	16.47		.05	.43	20.30	70.15
1950-51	Alberta	12.45	3.68	.94	13.11	12.67	5.20	24.25	.00	.31	.22	22.26	95.10
	B.C.	26.66	3.64	4.07	18.74	17.33	5.82	23.89	.18	.07	10.26	31.06	141.71
	Sask.	22.83	4.46	1.22	14.42	9.76	3.52	12.07	.14	.05	.....	21.10	90.06
	Manitoba	6.97	1.80	.82	12.71	6.11	2.96	10.69	.01	.12	.....	35.31	77.50
	Ontario	8.10	1.70	.62	11.57	10.03	3.39	19.07	.13	.07	.39	19.76	74.84
1951-52	Alberta	12.69	3.94	.98	11.52	12.44	4.74	26.79	.01	.45	5.21	23.58	102.35
	B.C.	30.79	3.96	4.52	16.84	18.21	4.59	22.64	.37	.07	10.86	35.49	148.35
	Sask.	28.53	5.16	1.44	12.99	9.78	3.12	15.59	.04	.56	.....	23.79	101.00
	Manitoba	6.84	2.10	.85	10.63	6.74	3.52	15.70	.00	.13	.....	23.89	70.41
	Ontario	10.27	1.91	6.78	10.01	10.93	4.46	23.39	.11	.13	.39	22.67	84.95

N.B. For footnotes see table 5A.

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Provincial Governments, 1946-1951.

Table 6A
COMPARATIVE EXPENDITURES OF LOCAL GOVERNMENTS
Year Ending December 31
(Thousands of Dollars)

	General Government	Protection to Persons and Property	Public Works	Sanitation and Waste Removal	Social Services (1)	Education	Debt Charges	Capital Expenditures Out of Revenue	Miscellaneous Expenditures (2)	Total Expenditures	Provincial Grants for Education (3)
1946											
Alberta	2,196	2,308	4,894	787	3,244	11,691	3,097	1,796	1,763	31,776	3,700
British Columbia	3,417	5,028	3,503	1,115	5,309	8,512	6,794	1,130	56	34,864	5,610
Saskatchewan	3,146	1,727	5,181	762	4,254	12,276	1,680	2,784	1,195	33,005	3,879
Manitoba	1,993	3,014	4,081	965	2,974	8,998	3,347	861	3,221	29,454	1,823
Ontario	17,609	21,124	26,465	6,935	20,435	33,016	28,872(4)	108	2,137	156,701	23,573
1947											
Alberta	2,150	2,684	6,525	974	3,802	13,300	2,933	2,176	2,112(5)	36,656	5,259
British Columbia	4,281	5,914	4,216	1,477	6,230	10,082	7,414	1,478	149	41,241	9,119
Saskatchewan	3,270	2,121	5,962	826	4,579	13,515	1,661	3,959	829	36,722	5,009
Manitoba	2,379	3,476	4,590	1,037	3,393	8,133	3,548	1,286	2,711	30,553	3,577
Ontario	14,656	23,859	29,797	9,276	25,459	40,386	29,008	3,708	7,232	183,381	30,780
1948											
Alberta	2,347	2,950	7,986	1,125	4,310	15,558	3,244	2,382	2,176	42,078	8,120
British Columbia	4,578	6,959	4,992	1,728	7,251	11,064	7,796	1,667	309	46,344	12,467
Saskatchewan	3,290	2,394	6,481	1,005	5,255	15,293	1,761	3,605	1,004	40,088	6,310
Manitoba	2,580	3,706	5,270	1,167	3,487	9,398	3,871	1,141	3,927	34,547	3,647
Ontario	16,945	26,995	33,548	9,774	28,137	46,427	29,368	3,398	8,587	203,179	35,120
1949											
Alberta	2,765	3,334	8,318	1,326	4,580	17,734	3,967	2,765	2,464	47,253	7,503
British Columbia	4,789	8,121	6,441	2,154	8,321	14,591	9,046	1,962	673	56,098	17,362
Saskatchewan	3,466	2,718	6,269	1,091	5,682	16,958	1,961	2,122	1,202	41,469	6,288
Manitoba	2,689	4,318	6,351	1,215	3,916	11,020	4,041	1,925	3,368	38,843	4,161
Ontario	17,779	30,894	38,109	11,191	31,856	54,129	33,384	4,941	7,530	229,813	38,132
1950											
Alberta	3,142	3,861	10,523	1,482	5,080	19,639	4,616	3,771	2,485	54,599	8,456
British Columbia	4,570	8,834	7,174	2,342	8,879	16,147	10,124	2,416	1,087	61,573	18,881
Saskatchewan	3,658	2,842	6,388	1,195	6,124	17,905	2,172	2,004	1,161	43,449	7,435
Manitoba	6,199	4,597	6,304	1,288	4,382	12,000	4,215	1,663	3,687	44,335	4,299
Ontario	18,577	14,131	41,807	12,482	36,238	60,267	37,395	4,527	7,789	253,213	43,075
1951											
Alberta	3,647	4,747	10,787	1,809	6,593	19,770	7,793	3,883	3,599	62,618	10,902
British Columbia	4,415	10,126	8,305	2,519	10,463	19,253	11,139	2,443	1,867	70,530	19,384
Saskatchewan	3,704	2,827	7,072	1,288	6,643	19,522	2,266	2,017	1,744	47,083	7,391
Manitoba	3,100	5,038	6,828	1,688	4,876	13,480	4,714	1,657	3,894	45,275	4,834
Ontario	20,313	39,719	48,441	14,925	40,195	74,951	44,518	5,309	9,537	297,908	48,354
1952											
Alberta	3,995	5,712	13,547	2,333	8,045	22,236	9,744	5,651	3,830	75,093	9,883
British Columbia	4,916	11,269	8,744	2,712	10,977	23,310	13,029	2,761	2,033	79,751	21,321
Saskatchewan	3,946	2,948	9,495	1,410	6,512	21,556	2,394	2,795	1,881	52,937	8,708
Manitoba	3,272	5,342	7,163	1,765	5,007	14,966	5,767	1,103	4,161	48,546	6,163
Ontario	22,917	45,660	53,587	16,428	43,414	87,529	50,365	5,834	11,431	337,165	54,610

(1) Includes health, welfare, recreation and community services.

(2) Includes temporary debt charges, discount on taxes, utility and institutional services (deficits), municipal levies for utilities, provisions for reserves, and other miscellaneous expenditures.

(3) School grants are paid directly to school authorities and therefore are not included in the "education" item in the comparative expenditures. This column shows the amount paid to school authorities by the nearest provincial fiscal years ending March 31.

(4) Includes temporary debt charges.

(5) Includes some debt charges.

Table 6B
COMPARATIVE EXPENDITURES OF LOCAL GOVERNMENTS
Year Ending December 31
(Per Capita)

		General Government	Protection to Persons and Property	Public Works	Sanitation and Waste Removal	Social Services (1)	Education	Debt Charges	Capital Expenditures Out of Revenue	Miscellaneous Expenditures (2)	Total Expenditures	Provincial Grants for Education (3)
1946	Alberta	3.11	3.27	6.93	1.11	4.59	16.55	4.38	2.54	2.50	44.99	5.24
	British Columbia	4.22	6.20	4.32	1.38	6.55	10.50	8.38	1.39	.07	43.02	6.92
	Saskatchewan	4.07	2.24	6.71	.99	5.51	15.89	2.18	3.60	1.55	42.73	5.02
	Manitoba	3.06	4.63	6.27	1.48	4.57	13.81	5.14	1.32	4.94	45.22	2.80
	Ontario	4.77	5.72	7.16	1.88	5.53	8.94	7.81(4)	.03	.58	42.41	6.38
1947	Alberta	3.21	4.01	9.74	1.45	5.68	19.86	4.38	3.25	3.15(5)	54.74	7.85
	British Columbia	4.94	6.83	4.87	1.71	7.19	11.64	8.56	1.71	.17	47.62	10.53
	Saskatchewan	4.18	2.71	7.62	1.06	5.85	17.27	2.12	5.06	1.06	46.91	6.40
	Manitoba	3.59	5.25	6.93	1.57	5.12	12.28	5.36	1.94	4.09	46.13	5.40
	Ontario	3.80	6.19	7.73	2.41	6.61	10.48	7.53	.96	1.88	47.58	7.99
1948	Alberta	3.28	4.12	11.14	1.57	6.01	21.71	4.53	3.32	3.04	58.72	11.33
	British Columbia	4.96	7.54	5.41	1.87	7.86	11.99	8.45	1.81	.33	50.24	13.52
	Saskatchewan	4.12	3.00	8.12	1.26	6.59	19.17	2.21	4.52	1.26	50.25	7.91
	Manitoba	3.86	5.55	7.89	1.75	5.22	14.07	5.80	1.71	5.88	51.73	5.46
	Ontario	4.30	6.84	8.50	2.48	7.13	11.77	7.45	.86	2.18	51.51	8.90
1949	Alberta	3.66	4.42	11.02	1.76	6.07	23.49	5.25	3.66	3.26	62.58	9.94
	British Columbia	5.02	8.51	6.75	2.26	3.72	15.28	9.48	2.06	.70	58.76	18.19
	Saskatchewan	4.34	3.40	7.85	1.37	7.12	21.24	2.46	2.66	1.51	51.95	7.88
	Manitoba	3.97	6.37	9.37	1.79	5.78	16.26	5.96	2.84	4.97	57.31	6.14
	Ontario	4.35	7.57	9.33	2.74	7.80	13.26	8.18	1.21	1.84	56.29	9.34
1950	Alberta	3.80	4.67	12.72	1.79	6.14	23.75	4.56	4.56	3.00	66.02	10.23
	British Columbia	4.59	8.88	7.21	2.35	8.92	16.23	10.18	2.43	1.09	61.89	18.98
	Saskatchewan	4.44	3.45	7.76	1.45	7.44	21.75	2.64	2.43	1.41	52.78	9.03
	Manitoba	8.98	6.66	9.13	1.87	6.35	17.39	6.11	2.41	5.34	64.24	6.23
	Ontario	4.42	8.12	9.95	2.97	8.62	14.34	8.90	1.08	1.85	60.25	10.25
1951	Alberta	4.49	5.85	13.29	2.23	8.12	24.37	9.60	4.79	4.44	77.17	13.44
	British Columbia	4.87	11.18	9.17	2.78	11.55	21.25	12.29	2.70	2.06	77.84	22.05
	Saskatchewan	4.76	3.63	9.08	1.65	8.33	25.06	2.91	2.59	2.24	60.45	9.49
	Manitoba	4.35	7.07	9.58	2.37	6.84	18.92	6.62	2.33	5.47	63.55	6.79
	Ontario	4.55	8.89	10.84	3.34	8.99	16.77	9.96	1.19	2.13	66.66	10.82
1952	Alberta	4.77	6.82	16.16	2.78	9.60	26.53	11.63	6.74	4.57	89.61	11.95
	British Columbia	5.20	11.93	9.26	2.87	11.62	24.67	13.79	2.92	2.15	84.41	21.43
	Saskatchewan	4.96	3.71	11.95	1.77	8.19	27.12	3.01	3.52	2.37	66.60	10.85
	Manitoba	4.47	7.30	9.79	2.41	6.84	20.45	7.88	1.51	5.69	66.34	8.93
	Ontario	5.10	10.17	11.93	3.66	9.67	19.49	11.22	1.30	2.55	75.09	12.99

N.B. For footnotes see Table 6A.

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Municipal Governments, 1946-1951; Financial Statistics of Provincial Governments, 1946-1951.

Table 7
COMPARATIVE PROVINCIAL NET BONDED DEBT
Year Ending March 31
(Amounts in Thousands of Dollars)

		Amount	Per Capita
1946-47	Alberta	112,987	139.84
	British Columbia	99,864	105.23
	Saskatchewan	91,276	109.58
	Manitoba	56,110	77.18
	Ontario	563,841	140.96
1947-48	Alberta	108,565	135.20
	British Columbia	109,288	108.96
	Saskatchewan	95,965	115.20
	Manitoba	41,633	57.27
	Ontario	543,967	132.90
1948-49	Alberta	108,289	131.26
	British Columbia	119,448	114.41
	Saskatchewan	98,407	117.71
	Manitoba	50,594	68.46
	Ontario	534,819	128.07
1949-50	Alberta	108,979	127.61
	British Columbia	137,096	126.71
	Saskatchewan	106,010	126.50
	Manitoba	67,376	90.32
	Ontario	585,351	136.92
1950-51	Alberta	88,765	100.30
	British Columbia	147,391	132.43
	Saskatchewan	118,605	142.55
	Manitoba	74,638	88.60
	Ontario	582,717	133.10
1951-52	Alberta	86,270	94.49
	British Columbia	197,066	173.32
	Saskatchewan	121,880	146.31
	Manitoba	105,319	137.13
	Ontario	670,273	149.92
1952-53	Alberta	83,693	89.13
	British Columbia	177,284	152.18
	Saskatchewan	132,586	159.36
	Manitoba	121,255	156.26
	Ontario	712,482	154.95

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Provincial Governments, 1946-1952.

Table 8
COMPARATIVE MUNICIPAL DEBT
Year Ending December 31
(Amounts in Thousands of Dollars)

	General			School			Utilities			Total	
	Amount	Per Capita		Amount	Per Capita		Amount	Per Capita		Amount	Per Capita
1946											
Alberta	23,171	32.81		6,365	9.01		7,698	11.04		37,334	52.86
British Columbia	79,980	98.70		15,493	19.12		27,578	34.03		123,051	151.85
Saskatchewan	14,756	19.10		7,660	9.92		5,896	7.63		28,312	36.65
Manitoba	24,247	37.22		6,169	9.47		32,417	49.77		62,833	96.46
Ontario	114,694	31.04		49,520	13.40		54,560	14.77		221,501	59.95
1947											
Alberta	24,337	36.42		6,689	9.99		9,146	13.66		40,222	60.06
British Columbia	81,780	94.44		15,705	18.14		31,213	36.04		128,699	148.62
Saskatchewan	14,163	18.09		7,157	9.14		5,081	6.49		26,401	33.73
Manitoba	21,583	32.56		5,733	8.66		32,393	48.91		59,689	90.13
Ontario	122,756	31.85		54,113	14.04		50,723	13.16		227,631	59.06
1948											
Alberta	24,548	34.25		10,454	14.59		12,000	16.75		47,002	65.59
British Columbia	88,917	96.40		18,783	20.36		34,683	37.60		142,383	154.36
Saskatchewan	15,814	19.82		5,920	7.42		4,522	5.67		26,256	32.91
Manitoba	23,796	35.63		6,637	9.94		34,309	51.37		64,742	96.95
Ontario	137,264	34.80		69,299	17.57		46,426	11.77		254,248	64.46
1949											
Alberta	30,348	40.19		15,743	20.85		17,094	22.64		63,185	83.68
British Columbia	96,652	101.24		22,718	23.80		39,428	41.30		158,798	166.34
Saskatchewan	15,929	19.95		7,991	10.01		6,221	7.79		30,141	37.76
Manitoba	24,934	36.79		8,452	12.47		35,864	52.91		69,250	102.17
Ontario	149,068	36.51		86,121	21.09		57,353	14.05		292,542	71.65
1950											
Alberta	37,593	45.46		20,139	24.35		22,696	27.45		80,428	97.26
British Columbia	101,885	102.41		25,823	25.96		40,022	40.23		167,730	168.59
Saskatchewan	15,386	18.69		8,914	10.83		7,735	9.40		32,035	38.91
Manitoba	24,849	36.01		10,266	14.88		33,850	49.05		68,965	99.93
Ontario	165,366	39.35		107,393	25.55		90,819	21.61		363,578	86.51
1951											
Alberta	46,637	57.48		27,188	33.51		29,091	35.85		102,916	126.84
British Columbia	106,598	117.63		26,435	29.17		41,544	45.85		174,567	192.65
Saskatchewan	18,346	23.55		9,355	12.01		7,938	10.19		35,639	45.75
Manitoba	23,116	32.45		11,844	16.62		37,489	52.62		72,449	101.69
Ontario	192,017	42.97		120,800	27.03		123,247	27.58		458,506	102.60
1952											
Alberta	55,145	65.80		32,369	38.62		32,237	38.47		119,751	142.89
British Columbia	118,161	125.07		30,413	32.19		50,212	53.15		198,786	210.41
Saskatchewan	18,693	23.52		8,535	12.00		11,401	14.34		39,629	49.86
Manitoba	24,438	33.40		13,781	18.83		33,776	46.16		71,995	98.39
Ontario	210,718	46.93		172,191	38.35		139,085	30.98		521,992	116.25

SOURCE: Dominion Bureau of Statistics, Financial Statistics of Municipal Governments, 1946-1952.

Table 9A
MUNICIPAL REVENUE IN ALBERTA BY CLASSES OF MUNICIPALITIES

Year Ending December 31
(Thousands of Dollars)

	Taxation				Payments in Lieu of Taxes on Crown Properties		Provincial Grants (2)	Licenses Permits and Miscellaneous	Local Utility Surpluses (3)	Total Revenues
	Real Property	Personal Property	Business Tax	Poll Tax	Other (1)	Total Taxes				
1946	Cities	8,540	12	750	2	79	9,383	62	2,570	14,173
	Towns	1,718	3	127	13	13	1,874	17(6)	330	2,275
	Villages	1,027	75	27	5	10	1,144	4(6)	101	1,253
	Municipal Districts	10,858	20	14	13	...	10,925	596(6)	567	12,088
1947	Towns	9,376	13	823	2	81	10,295	62(5)	2,676	14,938
	Towns	2,024	2	165	15	15	2,221	26(6)	349	2,630
	Villages	1,217	96	20	5	12	1,350	3(6)	101	1,456
	Municipal Districts	12,113	235	13	15	3	12,379	1,281(6)	609	14,269
1948	Cities	10,437	13	963	2	115	11,530	62(5)	2,946	16,515
	Towns	2,431	12	180	19	17	2,659	6(6)	347	3,059
	Villages	1,390	101	24	6	13	1,534	2(6)	108	1,646
	Municipal Districts	14,630	407	15	20	4	15,076	1,882(6)	583	17,541
1949	Cities	11,901	24	1,125	2	177	13,229	84(5)	3,661	19,278
	Towns	2,968	35	236	23	23	3,285	23(6)	513	3,890
	Villages	1,496	99	72	8	15	1,690	6(6)	130	1,829
	Municipal Districts	15,842	903	.....	25	8	16,778	2,018(6)	596	19,392
1950	Cities	13,529	25	1,394	4	186	15,138	96(5)	4,333	21,890
	Towns	3,656	25	281	30	25	4,017	53(6)	643	4,789
	Villages	1,627	81	85	8	16	1,817	9(6)	126	1,956
	Municipal Districts	17,325	995	.....	29	19	18,368	2,655(6)	616	21,639
1951	Cities	14,296	....	1,607	4	1,506	18,043	2,200	6,132	26,950
	Towns	3,930	2	304	34	137	4,407	522	733	5,700
	Villages	1,657	55	128	7	27	1,874	222	186	2,290
	Municipal Districts & Counties	17,298	1,484	.....	31	1	18,814	2,536	3,089	24,440
1952	Cities	18,056	....	1,893	4	2,112	22,065	2,933	6,911	32,553
	Towns	4,570	15	335	43	185	5,148	682	1,031	6,887
	Villages	1,721	50	144	11	40	1,966	284	190	2,445
	Municipal Districts & Counties	18,955	1,911	.....	34	2	20,902	5,134	1,904	27,941
1953	Cities	19,764	....	2,240	3	2,439	24,446	3,258(4)	7,788	36,900
	Towns	5,260	20	377	41	250	5,948	932(4)	1,214	8,087
	Villages	1,947	30	158	12	62	2,209	359(4)	241	2,769
	Municipal Districts & Counties	20,169	2,119	.....	27	2	22,317	6,344(4)	2,466	31,127

SOURCE: Province of Alberta, Annual Report of Department of Municipal Affairs, 1946-1953.

N.B. For Footnotes see Table 9B.

Table 9B

MUNICIPAL REVENUE IN ALBERTA BY CLASSES OF MUNICIPALITIES

Year Ending December 31

(Per Capitas)

	Taxation				Other (1)	Payments in Lieu of Taxes on Crown Properties		Provincial Grants (2)	Licenses Permits and Miscellaneous	Local Utility Surpluses (3)	Total Revenues
	Real Property	Personal Property	Business Tax	Poll Tax		Total Taxes					
1946	Cities	33.90	.05	2.93	.01	37.25	...	.25	10.20	8.57	56.27
	Towns	28.53	.05	2.11	.22	31.13	...	.28(6)	5.48	.90	37.78
	Villages	25.15	1.84	.66	.12	28.01	...	.10(6)	2.47	.10(7)	30.68
	Municipal Districts	30.79	.06	.04	...	30.92	...	1.69(6)	1.60	.....	34.21
1947	Cities	35.93	.05	3.15	.00	39.46	...	.24(5)	10.26	7.30	57.25
	Towns	32.84	.03	2.68	.24	36.03	...	.42(6)	5.66	.55	42.67
	Villages	29.34	2.31	.48	.12	32.55	...	.07(6)	2.44	.05(7)	35.10
	Municipal Districts	39.63	.77	.04	.05	40.50	...	4.19(6)	1.99	.....	46.69
1948	Cities	37.42	.05	3.45	.01	41.34	...	.22(5)	10.56	7.09	59.21
	Towns	31.69	.16	2.35	.25	34.67	...	.08(6)	4.52	.61	39.88
	Villages	28.90	2.10	.50	.12	31.90	...	.04(6)	2.25	.04(7)	34.23
	Municipal Districts	46.75	1.30	.05	.06	48.18	...	6.01(6)	1.86	.....	56.06
1949	Cities	40.08	.08	3.79	.01	44.55	...	.28(5)	12.33	7.76	64.92
	Towns	35.00	.41	2.78	.27	38.73	...	.27(6)	6.05	.81	45.87
	Villages	31.53	2.09	1.52	.17	35.62	...	.13(6)	2.74	.06(7)	38.55
	Municipal Districts	50.52	2.88	.....	.08	53.51	...	6.44(6)	1.90	.....	61.84
1950	Cities	41.02	.08	4.23	.01	45.90	...	.29(5)	13.14	7.04	66.37
	Towns	35.05	.24	2.69	.29	38.51	...	.51(6)	6.16	.73	45.91
	Villages	33.35	1.66	1.74	.16	37.25	...	.18(6)	2.58	.08(7)	40.10
	Municipal Districts	52.23	3.00	.....	.09	55.38	...	8.00(6)	1.86	.....	65.24
1951	Cities	41.81	.....	4.70	.01	52.76	.05	6.43	17.93	1.63	78.81
	Towns	39.17	.02	3.03	.34	43.92	.08	5.20	7.70	(—)	56.81
	Villages	37.54	1.25	2.90	.16	42.46	...	5.03	4.21	.18(7)	51.89
	Municipal Districts & Counties	54.13	4.64	.....	.10	58.87	...	7.94	9.67	...	76.48
1952	Cities	51.36	.....	5.38	.01	62.77	.06	8.34	19.66	1.78	92.60
	Towns	44.12	.14	3.23	.42	49.70	.08	6.58	9.95	.17	66.49
	Villages	40.12	1.17	3.36	.26	45.84	...	6.62	4.43	.12(7)	57.00
	Municipal Districts & Counties	58.45	5.89	.....	.10	64.45	...	15.83	5.87	.....	86.16
1953	Cities	47.78	.....	5.41	.01	59.10	.06	7.88(4)	18.83	3.34	89.20
	Towns	39.61	.15	2.84	.31	44.80	.10	7.02(4)	9.15	(—)	60.91
	Villages	42.92	.66	3.48	.26	48.69	...	7.91(4)	5.31	(—)	61.04
	Municipal Districts & Counties	61.96	6.51	.....	.08	68.56	...	19.49(4)	7.58	.....	95.63

(1) In cities, the entire amount shown is special assessments.

(2) Excludes School Grants which are shown in Table 10; based on the breakdown provided for 1951, 1952 and 1953, hospital grants included in these totals are considerably smaller than the grants so classified in Table 14.

(3) The amount shown is the total of surpluses taken into revenue less any deficits provided for from taxation.

(4) For this year, minor miscellaneous grants are included under "licenses, permits and miscellaneous."

(5) Excludes unemployment relief grant.

(6) Includes payments from the federal government and other municipalities; in municipal districts, includes shared revenues from lease-held lands and much smaller payments under the Agricultural Services Board Act.

(7) Surplus only; deficits not available.

SOURCE: Province of Alberta, Annual Report of Department of Municipal Affairs, 1946-1953.

Table 10
Province of Alberta
SCHOOL GRANTS BY CLASSES OF DIVISIONS AND DISTRICTS (1)
Year Ending December 31
(Thousands of Dollars)

	<u>School Divisions</u>	<u>City and Town Districts</u>	<u>Other School Districts</u>
1947	4,189	638	448
1948	5,138	794	526
1949	5,112	785	511
1950	6,120	1,283	366
1951	7,177	1,871	652
1952	7,748	2,281	909

(1) Figures for 1946 not available.

SOURCE: Province of Alberta, Department of Education, Annual Report, 1948-1953.

Table 11A
Province of Alberta
SCHOOL REQUISITIONS BY CLASSES OF MUNICIPALITIES
Year Ending December 31
(Amounts in Thousands of Dollars)

	1946	1947	1948	1949	1950	1951	1952	1953
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Cities	4,156	16.50	4,646	17.81	5,643	18.44	6,049	20.37
Towns	818	13.58	950	15.41	1,141	14.88	1,368	16.13
Villages	586	14.35	683	16.47	770	16.01	861	18.15
Municipal Districts and Counties ...	4,934	13.96	5,607	18.35	6,774	21.65	7,512	23.96
					8,411	25.36	8,800	27.54
							9,830	30.31
								10,565
								25.54
								2,820
								21.24
								1,171
								25.81
								10,569
								32.47

SOURCE: Province of Alberta, Annual Report of Municipal Affairs, 1946-1953.

Table 11B
Province of Alberta
HOSPITAL CARE EXPENDITURE BORN BY MUNICIPALITIES, 1953
Year Ending December 31
(Amounts in Thousands of Dollars)

	Amount	Per Capita
Cities	2,030,570	4.91
Towns	429,655	3.24
Villages	133,781	2.95
Municipal District & Counties	1,738,221	5.34

SOURCE: Province of Alberta, Department of Municipal Affairs.

Table 12A
Province of Alberta
DEBT DATA BY CLASSES OF MUNICIPALITIES

Year Ending December 31

(Amounts in Thousands of Dollars)

	General Debenture Debt		Municipal Hospital Debt		Utilities Debt	Total Debt	Debt Charges		Capital Expenditures	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Out of Current Revenue	Amount Per Capita
1946										
Cities	22,021	87.42	(1)	...	6,439	25.56	28,460	112.99	3,097	12.30
Towns	589	9.78	...	...	1,348	22.38	1,937	32.17	234	3.89
Villages	72	1.76	10	.24	21	.51	93	2.28	68	1.67
1947										
Cities	22,052	84.51	(1)	...	7,243	27.76	29,295	112.27	2,933	11.24
Towns	729	11.83	...	...	1,864	30.24	2,593	42.07	284	4.61
Villages	58	1.40	8	.19	47	1.13	105	2.53	79	1.90
1948										
Cities	21,589	77.40	(1)	...	9,439	33.84	31,028	111.24	3,043	10.91
Towns	1,211	15.79	...	...	2,460	32.07	3,671	47.86	338	4.41
Villages	61	1.27	7	.15	102	2.12	170	3.53	92	1.91
1949										
Cities	22,880	77.06	3,198	10.77	13,731	46.24	39,809	134.07	3,658	12.32
Towns	1,849	21.80	...	...	3,236	38.16	5,085	59.96	479	5.65
Villages	173	3.65	...	...	127	2.68	300	6.32	110	2.32
1950										
Cities	28,986	87.89	3,198	9.70	17,303	52.46	49,487	150.05	4,196	12.72
Towns	2,359	22.62	...	...	4,488	43.03	6,847	65.64	600	5.75
Villages	258	5.29	...	...	904	18.53	1,162	23.82	123	2.52
1951										
Cities	36,835	107.72	3,198	9.35	23,005	67.27	63,040	184.35	5,366	15.69
Towns	2,905	28.95	...	...	4,988	49.71	7,893	78.67	526	5.24
Villages	444	10.06	...	...	1,096	24.83	1,540	34.89	92	2.08
1952										
Cities	42,112	119.79	4,860	13.82	25,250	71.83	72,222	205.44	6,255	17.79
Towns	3,688	35.61	...	...	5,771	55.72	9,459	91.32	636	6.14
Villages	853	19.89	...	...	1,217	28.37	2,070	48.26	103	2.40
1953										
Cities	74,782	180.78	(1)	...	17,875(2)	43.21	92,657	223.99	7,061	17.07
Towns	6,085	45.83	...	...	7,339(2)	55.27	13,424	101.10	755	5.69
Villages	1,444	31.83	...	...	1,986(2)	43.78	3,430	75.61	164	3.62

(1) Not available; included in general debenture debt.

(2) Water and electric light and power only; other utility debt included in general debenture debt.

SOURCE: Province of Alberta, Annual Report of Department of Municipal Affairs, 1946-1953.

Table 12B
Province of Alberta
SCHOOL DEBT BY CLASSES OF DIVISIONS AND DISTRICTS (1)
Year Ending December 31
(Thousands of Dollars)

	City School Districts	Town School Districts	Village School Districts	Divisions	Consolidated School Districts	Rural School Districts	Counties	Separate School Districts	Total
1947	Public Issues	4,882(2)	61	984	43	81	...	639	6,690
1948	Public Issues	7,019(2)	75	2,295	33	153	...	869	10,454
1949	Public Issues	9,778(2)	58	4,427	22	218	...	1,238	15,741
1950	Public Issues	13,146	49	5,816	189	32	...	.....	20,140
1941	Public Issues	16,061	40	7,262	261	209	(3)	.....	(3)
	Provincial Loans								
	—Interest Free	436	1	511	34	27	(3)	.....	(3)
	—3½ Percent	300	...	159	14	...	(3)	.....	(3)
	Total	16,797	41	7,932	309	236	278	.....	27,189
1952	Public Issues	16,923	60	7,659	378	240	(3)	.....	(3)
	Provincial Loans								
	—Interest Free	947	7	530	50	26	(3)	.....	(3)
	—3½ Percent	2,122	102	723	71	28	(3)	.....	(3)
	TOTAL	19,992	169	8,912	499	294	824	.....	32,368

(1) Figures for 1946 not available.

(2) Breakdown by city and town school districts not available.

(3) Breakdown not available.

SOURCE, Province of Alberta, Department of Education Annual Report, 1948-1953;
 Department of Municipal Affairs Annual Report, 1951-1952.

Table 13
COST OF GOVERNMENT IN ALBERTA CITIES

Year Ending December 31
(Amounts in Thousands of Dollars)

	1952		
	School Amount	Requisition Per Capita	Sums Raised Locally For Other Services (1) Amount Per Capita
Edmonton	4,842	28.62	11,926 70.49
Calgary	3,194	22.81	6,643 47.45
Lethbridge	695	27.80	1,014 40.56
Medicine Hat	388	23.33	861 51.76
Red Deer	163	17.79	359 39.18
Wetaskiwin	77	19.25	133 33.25
Drumheller	71	27.30	126 48.44

(1) Includes hospital care expenditures.

SOURCE: Province of Alberta, Department of Municipal Affairs, Annual Report, 1953.

	1953	
	Hospital Care Amount	Expenditure Per Capita
Edmonton	494	2.69
Calgary	1,109	7.08
Lethbridge	185	6.98
Medicine Hat	108	5.91
Red Deer	80	8.73
Wetaskiwin	4	1.00
Drumheller	17	5.67

SOURCE: Province of Alberta, figures supplied by
Department of Municipal Affairs.

Table 14

Province of Alberta

GRANTS, PAYMENTS AND SHARED EXPENDITURES — LOCAL AUTHORITIES AND PROVINCIALLY-ADMINISTERED DISTRICTS

Year Ending March 31

(Amounts in Thousands of Dollars)

	1946-47		1947-48		1948-49		1949-50		1950-51		1951-52		1952-53		1953-54	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
MUNICIPAL ASSISTANCE																
Share of Gasoline Tax	63	.08	68	.08	71	.08	90	.10	83	.09	4,665	4.97	5,991	6.18	7,385	7.37
Share of Liquor Fines	—	—	—	—	—	—	—	—	—	—	91	.10	110	.11	132	.13
Total	63	.08	68	.08	71	.08	90	.10	83	.09	4,756	5.06	6,101	6.29	7,517	7.50
IN LIEU OF TAXES																
Provincial Crown Properties	—	—	—	—	—	—	24	.03	27	.03	45	.05	30	.03	44	.04
Loss of Mineral Tax	67	.08	30	.04	30	.04	30	.03	30	.03	30	.03	30	.03	30	.03
Cities' Loss of Service Tax	62	.08	62	.08	62	.07	62	.07	62	.07	62	.07	62	.06	62	.06
Total	129	.16	92	.11	92	.11	116	.13	119	.13	137	.15	122	.13	136	.14
HIGHWAYS																
Municipal Districts	519	.65	1,074	1.30	1,722	2.02	1,789	2.02	2,327	2.55	2,258	2.40	2,348	2.42	3,117	3.11
Improvement Districts and Special Areas	556	.69	659	.80	897	1.05	1,074	1.21	1,358	1.49	1,412	1.50	1,609	1.66	2,409	2.40
Bridges, Municipal and Improvement Districts	(3)	—	(3)	—	(3)	—	506	.57	554	.61	858	.91	1,051	1.08	1,858	1.85
CITIES																
—Special Works	—	—	—	—	—	—	1	.00	—	—	20	.02	125	.13	378	.38
—Highways Connecting Links Maintenance	10	.01	9	.01	10	.01	17	.02	19	.02	19	.02	19	.02	32	.03
Total	1,085	1.35	1,742	2.11	2,619	3.07	3,387	3.83	4,258	4.66	4,567	4.86	5,152	5.31	7,794	7.78
HEALTH AND HOSPITALS																
Health Grants	54	.07	66	.08	90	.11	76	.09	112	.12	192	.20	344	.35	405	.40
Hospital Care	—	—	—	—	—	—	—	—	290	.32	707	.75	1,472	1.52	1,967	1.97
Total	54	.07	66	.08	90	.11	76	.09	40	.44	899	.95	1,876	1.87	2,381	2.38
PUBLIC WELFARE																
Indigent Relief Grants to Municipalities (1)	2	.00	3	.00	5	.01	385	.44	574	.63	656	.70	362	.37	637	.64
Indigent Aid Initiated by Province—Net (2)	169	.21	222	.27	244	.29	218	.25	183	.20	218	.23	351	.36	279	.28
Child Welfare	89	.11	120	.15	235	.28	283	.32	199	.22	242	.26	381	.39	244	.24
Homes for Aged	47	.06	63	.08	88	.10	105	.12	145	.16	179	.19	153	.16	150	.15
Total	307	.38	408	.49	572	.67	991	1.12	1,101	1.21	1,295	1.38	1,247	1.29	1,310	1.31
SCHOOLS																
Operational	3,700	4.61	5,259	6.37	8,120	.95	7,503	8.48	7,847	8.59	8,826	9.40	9,883	10.19	11,597	11.57
Capital	—	—	—	—	—	—	—	—	934(4)	1.02	2,261(4)	2.41	1,483	1.53	2,697	2.69
Total	3,700	4.61	5,259	6.37	8,120	.95	7,503	8.48	8,781	9.62	11,087	11.81	11,366	11.72	14,294	14.27
MUNICIPAL AFFAIRS																
Town Planning	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	5,338	6.65	7,635	9.25	11,064	12.96	12,163	13.74	14,744	16.15	22,756	24.23	25,839	26.64	33,472	33.41

(1) Includes some child welfare payments.

(2) Excludes reimbursements from improvement districts, special areas and Municipal Districts.

SOURCE: Province of Alberta, Public Accounts, 1947-1953.

(3) No indication for these years of amount of construction or maintenance aside from main highways.

(4) Figures provided by Province of Alberta, Treasury Department.

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